



RECORD OF WORLD EVENTS

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AFRICA

ANGOLA

UN condemnation of UNITA

Following the failure of UN supervised peace talks in February [see p. 39303], the UN Security Council on March 12 adopted a resolution accusing the National Union for the Total Independence of Angola (UNITA) of being solely responsible for the resumption of conflict in Angola.

The Council demanded that UNITA accept unreservedly the results of the September 1992 general election [see pp. 39082; 39128]. It condemned violations by UNITA of the May 1991 Bicesse peace accord [see p. 38180], its failure to participate in political institutions, its withdrawal from the newly established Angolan Armed Forces (FAA) and its seizure of towns and cities. Unanimously adopting Resolution 811 (1993), the Council demanded that UNITA produce evidence before April 30 that real progress had been made towards the implementation of the peace accord. The resolution also demanded an immediate ceasefire and the resumption of negotiations under UN auspices and warned that "all appropriate measures" would be taken to advance the implementation of the accord. Boutros Boutros-Ghali, the UN Secretary-General, was asked to organize a high level meeting between the two sides before April 30 to review the role of the UN Angola Verification Mission (UNAVEM).

UNITA described the resolution as a "treacherous stab in the back", accusing the Security Council of bias towards the ruling Popular Movement for the Liberation of Angola—Workers Party (MPLA-PT), which it claimed had violated the Bicesse accord first. These criticisms of the UN followed demands that Margaret Anstee, UN representative in Angola, be withdrawn. Speaking on March 9, Jonas Savimbi, the UNITA leader, declared that UNITA would only resume negotiations if Anstee was replaced.

The Angolan government reacted positively to Resolution 811, although it expressed some concern at the length of time given to UNITA to implement the peace accord.

Washington diplomacy

Following the September 1992 multiparty general election, the Angolan government had expected recognition from the US government, but this was not immediately forthcoming. On March 11 José Patricio, Angolan ambassador to the Organization of American States (OAS), complained that the US administration was "moving the goalposts". He also commented that on a multilateral level, as one of the three international observers to the peace process, the USA had recognized the legitimacy of the institutions established in the wake of the election, but that this had yet to be translated into bilateral relations.

President Bill Clinton also came under pressure from the US Congress to recognize the government of President José Eduardo dos Santos. On March

25 a joint resolution of the Senate and House of Representatives, condemning UNITA and calling for the recognition of the Angolan government, was passed unanimously. It also called for the appointment of a special US envoy to Angola and increased US humanitarian aid.

The congressional action coincided with talks in Abidjan, Côte d'Ivoire, between Deputy Assistant Secretary of State for African Affairs, Jeffrey Davidow, and UNITA, described as a "last ditch" attempt to persuade Savimbi to return to the negotiating table. At this meeting UNITA put forward an eight-point plan for "national reconciliation", including the dissolution of the elected government and the installation of a two-year provisional government and some form of regional devolution giving UNITA dominance in parts of the country. The plan was rejected by the government.

Fall of Huambo

The 56-day siege of Huambo ended on March 7 when the FAA withdrew in the face of intense UNITA bombardment [see pp. 39256; 39303]. Announcing the withdrawal of his troops, Gen. João de Matos, FAA Chief of Staff, called on Angolans to prepare for a "difficult" conflict which could continue for one to two years, with casualties higher than those sustained in the previous 16 years of conflict. The battle over Huambo, a strategically important city, had come to symbolize the government's resistance to UNITA, and its capture had a considerable effect on morale on both sides.

As the month ended fierce fighting was reported in Kuito, Menongue and Luena [see map on p. 39257]. UNITA was reported to be close to taking Malanje and the oil town of Soyo, captured by UNITA in January, which was described as a "second Kuwait" with oil installations ablaze as FAA troops attempted its recapture.

■ Last article p. 39303; reference article p. R3.

SOUTH AFRICA

Admission of nuclear capability

On March 24 President F. W. de Klerk admitted that South Africa had developed and produced nuclear weapons in the late 1970s. His disclosure provided the first confirmation of the long held suspicions of international atomic experts and followed reports that the US government had exerted pressure on the South African government to destroy its nuclear weapons and enriched uranium stocks.

The State President said that the decision to build nuclear bombs had been in response to a perceived "Soviet expansionist threat in southern Africa". However, he said that all the devices had been dismantled soon after he took office in September 1989 and he denied claims that a weapon had been tested in the South Atlantic in 1979 [see p. 30196]. He said that inspectors of the International Atomic Energy Agency (IAEA) were in the country and had been given access to all records and premises

used in the construction of the weapons, although it was widely believed that most of the relevant documentation had been destroyed.

De Klerk's revelations were received with some scepticism; many observers were doubtful of his claims that only six "Hiroshima-type" bombs had been built and that no other countries had been involved in the project. The Johannesburg *Citizen* on March 25 cited an official from the International Institute for Strategic Studies as saying that Israel had supplied nuclear experts in exchange for South African uranium and access to test sites.

A statement issued by Armscor, the state-owned armaments corporation, on March 26 fuelled speculation that the South African government had in 1987 contemplated deploying nuclear weapons in Angola. Armscor revealed that an underground nuclear testing site, closed in 1977, was reopened 10 years later "at a time of heavy battles in Angola". No official comment was reported.

Resumption of multiparty talks

After a nine-month hiatus, multiparty constitutional talks resumed in Johannesburg on March 5-6. With delegates from 26 groups, including the government, the African National Congress (ANC), the Inkatha Freedom Party, the Conservative Party and the Pan-Africanist Congress (PAC), the two-day planning meeting was the most comprehensive political gathering since the start of negotiations in December 1991 [see pp. 38662-63]. The meeting ended with an agreement that a new negotiating forum would be established before April 5, to replace CODESA (Convention for a Democratic South Africa) which had been suspended in June 1992 [see p. 38948].

Crackdown on APLA

On March 24 President de Klerk announced a "fairly dramatic" military call-up of reservists and called for a solution to political violence to be placed at the top of the agenda in the forthcoming multiparty political talks. He also announced that he would be allowing a free vote in parliament on the reintroduction of the death penalty for murder and other serious crimes [see p. 37232] which he personally supported.

The measures were aimed at combating the growing number of attacks on white civilians, including an ambush on motorists near Johannesburg on March 22 in which a woman and her two children were killed. The attacks were widely attributed to the Azanian People's Liberation Army (APLA), the military wing of the PAC [see p. 39226 for incidents in December 1992], which refused, however, either to acknowledge or disclaim responsibility. Speaking after the publication of a report on APLA by the Goldstone Commission on political violence, de Klerk also issued a stern warning to Gen. Bantu Holomisa, leader of the Transkei bantustan ("homeland"). According to the report APLA's high command was based in Transkei and the bantustan was being used as a springboard for attacks. On March 31 more than 1,000 troops began a blockade of Transkei in an effort to halt the movements of APLA members.

Restructuring programme - Budget

March 9 saw the launch of a radical economic restructuring programme aimed at increasing

the amount of investment as a proportion of gross domestic product (GDP), improving productivity and re-establishing a stable financial environment.

Under the five-year plan, corporate and personal tax rates would be reduced, tariff barriers lowered, and exchange controls phased out. Other measures included keeping real wage increases to 0.75 per cent per annum, reducing government current expenditure to 20.1 per cent of GDP in 1997 and balancing the budget by 1997.

Derek Keys, Minister of Finance, Trade and Industry, took the first steps to implement the programme when he presented his first budget on March 17. He forecast growth in GDP in 1993 of between zero and 0.5 per cent, a significant improvement on 1992 when there had been a fall in GDP of 2.1 per cent. Keys outlined government spending of R 114,000 million, an increase of 8.8 per cent on 1992/93 (US\$1.00=R 4.575 as at March 8, 1993). With anticipated revenue amounting to R 89,000 million (a 16.5 per cent rise on 1992/93) the expected deficit was equivalent to 6.8 per cent of GDP. Although high, this was an improvement on the previous year's deficit, which had been 8.6 per cent of GDP. Company tax was reduced from 48 per cent to 40 per cent. In a move criticized by the ANC because of its impact on black families, Keys announced an immediate rise in value added tax (VAT) of 4 percentage points, bringing it to 14 per cent. However, he did attempt to ease the plight of poor blacks by removing the discrepancies in the pensions of all racial groups, as promised in the 1992/93 budget [see p. R22]. This effectively raised the pensions paid to Africans by 30 per cent.

■ Last article p. 39302; reference article p. R21-22.

LESOTHO

General election

Legislative elections on March 27, the first since 1970, resulted in a landslide victory for the Basotho Congress Party (BCP) led by Ntsu Mokhehle, with the party taking all of the 65 National Assembly seats.

In many constituencies the BCP secured five times as many votes as those for the Basotho National Party (BNP). Among the defeated BNP candidates were party leader Evaristus Retselisitsoe Sekhonyana and Maj.-Gen. Justin Lekhanya, who had headed the military government between 1986 and April 1991 [see p. 38132].

Up to 80 per cent of the 700,000 electorate participated in the polls, including several thousand migrant workers from the South African mines. In remote areas of the kingdom voters rode in on horseback or were carried to polling stations by UN helicopter and some polling booths were kept open for 24 hours to allow those with logistical difficulties to vote. The process was monitored by some 130 observers from 29 countries under the auspices of the UN. Their general verdict was that despite some "serious shortcomings" in the distribution of election materials, the elections had been both free and fair. The only reported casualty was that of a youth run over by a Commonwealth vehicle on March 28. One observer described it as the "quietest election next to Canada".

However, the result was disputed by the BNP, which was reportedly supported by the military. It

claimed that the elections had been rigged and indicated on March 28 that it would not accept the results. Commentators noted that the 1970 elections had been declared null and void by Chief Leabua Jonathan, the then Prime Minister and leader of the BNP, when first results had indicated a BCP victory [see pp. 23865-66].

The BCP, formerly a socialist party, had in its election manifesto declared a new commitment to the mixed economy. The party, however, maintained its cool attitude towards the King and traditional authorities, and its success effectively removed political power from the chiefs who had aligned themselves with the BNP.

■ Last article pp. 39302-03; reference article pp. R13-14.

ZAMBIA

Declaration of emergency

President Frederick Chiluba on March 4 declared an indefinite state of emergency to thwart "citizens bent on plunging the nation into chaos". The move followed reports of a coup attempt in early March, code named "Zero Option", allegedly planned by radical elements within the opposition United National Independence Party (UNIP) loyal to former President Kenneth Kaunda.

The government's actions were justified by reference to the discovery by police of UNIP documents showing plans to seize power by means of civil disobedience and armed insurrection. Earlier Kebby Musokotwane, UNIP's president, was reported to have admitted receiving a copy of the plot, but he denied that it was part of UNIP's official policy, saying that he had passed on the information to the government for further investigation.

On March 5 former President Kaunda, who had resigned as head of UNIP in January 1992 [see p. 38711], dismissed reports of a coup attempt, saying that they had been fabricated by the government and its allies in the US Central Intelligence Agency (CIA) to weaken the opposition. Relations between UNIP and Chiluba's ruling Movement for Multiparty Democracy (MMD) had been strained since Chiluba ousted Kaunda in a general election held in October 1991 [see p. 38515].

At least 25 people implicated in the alleged coup attempt were said to have been arrested, including Kaunda's three sons, Major Wezi Kaunda, head of UNIP's military wing, Tilyenji Kaunda and Panji Kaunda. The last two were reported to have been released on March 23.

On March 18 rioting by street vendors in the capital, Lusaka, in which dozens of people were injured, was blamed by the government on UNIP agitators.

Meanwhile it was reported on March 9 that the government had reduced the stipulated period of detention without trial from 28 days to seven after Western aid donors had asked for assurances that the new emergency measures would not be used to suppress human rights or the activity of opposition parties.

Allegations of foreign involvement

The government on March 11 severed diplomatic relations with Iran and Iraq after accusing them of having financed the alleged coup attempt. Both countries denied the allegations. Iran retaliated by cancelling agreements reached in 1990 to sell crude oil to Zambia.

■ Last article p. 39134; reference article p. R26.

MALAWI

Reduction of sentence on Chihana

The Supreme Court on March 29 reduced the sentence passed on Chakufwa Chihana, leader of the opposition Alliance for Democracy (AFORD), from two years to nine months. Chihana, who had in December been convicted of sedition [see p. 39229], had appealed against his sentence, saying that he wished to campaign for democracy ahead of the referendum (now postponed until June 14) on multi-party politics.

Resignation of Justice Minister

President Hastings Kamuzu Banda on March 24 accepted the resignation of the Justice Minister Friday Makuta. Makuta, whose resignation was officially said to be for "personal reasons", had reportedly disagreed with the government's alleged interference in judicial matters, especially in the case of Chihana.

Opposition withdrawal from referendum talks

On March 20 AFORD announced that it and the opposition United Democratic Front (UDF) had withdrawn from talks with the government on the referendum in protest against their lack of access to the media. The merger of AFORD with the Malawi Freedom Movement (MAFREMO) had been reported on March 1 by the Zambian National Broadcasting Corporation.

■ Last article p. 39255; reference article pp. R14-15.

RWANDA

Resumption of peace talks - French troop withdrawal

A fresh round of peace talks between the government and the rebel Rwandan Patriotic Front (FPR) was held in Dar es Salaam, the Tanzanian capital, on March 4-7 [see pp. 39304 for collapse of peace talks and resumption of fighting in February]. The government delegation was headed by Prime Minister Dismas Nsengiyaremye and the rebel side by FPR chair Col. Alex Kanyerengwe. The opening of the talks was accompanied by increased fighting between government and FPR forces around Kigali, the Rwandan capital.

The two sides signed a communiqué on March 7 which included provisions for the start of a ceasefire on March 9 and for the holding of further talks

in Arusha, Tanzania, in mid-March. Radio France International (RFI) reported on March 9 that the communiqué also contained a "confidential clause" which provided for the withdrawal of French troops from Rwanda and their replacement by an international force, the composition of which had not been determined during the Dar es Salaam negotiations. RFI reported on March 10 that the French government had "let it be known" that it accepted the plan for the withdrawal of its troops on condition that the FPR honoured its commitments and withdrew from the regions occupied during its February offensive.

Despite the imposition of the ceasefire on March 9, both government and rebel radio stations subsequently broadcast details of continuing significant military activity. Nevertheless, the two sides opened a new round of talks in Arusha on March 16, as envisaged under the Dar es Salaam communiqué. For the most part the talks had as their objective the creation of a unified and reformed national army, and by the end of March significant progress had reportedly been made. Progress at the negotiating table was mirrored on the battlefield, so that between March 17 and 19 FPR fighters peacefully withdrew from the areas of Mutara, Byumba and Ruhengeri which they had occupied during their February advance. The French abided by their side of the Dar es Salaam arrangement and began withdrawing their troops to the Central African Republic on March 21.

Recall of Belgian ambassador

A report released on March 8 by the International Human Rights Federation detailed massive and systematic human rights abuses in Rwanda, by both the government and the FPR. Upon release of the report, the Belgian government (Belgium being the former colonial power) announced that it had recalled its ambassador to Rwanda for consultations and that it was re-evaluating its policy of civilian and military co-operation with the government.

Habyarimana's resignation as MRND chair

On March 30 President Juvénal Habyarimana resigned as chair of the National Republican Movement for Democracy and Development (MRND), the main component of the ruling coalition. In a message to the nation broadcast on March 30, Habyarimana said that he had made the decision "to set an example" and so that he could "fully deal with the leadership of the country".

■ Last article pp. 39304-05; reference article pp. R18-19.

ZAÏRE

Mobutu's continuing defiance of HCR

Relations between President Mobutu Sese Seko and the opposition-dominated High Council of the Republic (HCR—transitional legislature) continued to deteriorate in March

as the President attempted to circumvent the authority of HCR.

A meeting to bring about a reconciliation between the President and the opposition failed to take place as scheduled on March 1 [see p. 39304]. However, on March 5 following a meeting with HCR chairman Mgr Laurent Monsengwo Pasinya, the President announced a "round-table" meeting of all political parties and claimed that the initiative had the approval of the HCR. This was denied by HCR officials, who reported that Monsengwo and Mobutu had failed to find any common ground. Mobutu had apparently refused to take any action against the soldiers involved in the February siege of the People's Palace and had repeated demands for the replacement of Etienne Tshisekedi as Prime Minister [see p. 39303-04]. Monsengwo had, however, insisted that Mobutu's political rival should remain as Prime Minister [see also below].

The conference, described as a "political conclave", took place on March 9-19, when there were three main points on the agenda: (i) the designation of a new Prime Minister, as well as arrangements concerning the structure and composition of the government and a minimum programme for the new administration; (ii) the establishment of a legal framework for the transition period, including reconsidering the composition and authority of transitional institutions, and the length of the transition period; and (iii) an electoral timetable. The meeting was boycotted by the HCR and the Sacred Union, the main opposition alliance, which described the meeting as a "coup d'état", and disputed the authority of the President to call such a meeting.

Rival Prime Ministers

On March 17 delegates to the political conclave appointed Faustin Birindwa Prime Minister and charged him with forming a government of national salvation. Formerly a close associate of Tshisekedi, Birindwa had served as Minister of Finance in his shortlived government formed in late September 1991 [see pp. 38423; 38515-16]. However, he had been expelled from Tshisekedi's Union for Democracy and Social Progress (UDPS), a member of the Sacred Union alliance, on March 1 for "political truancy". Birindwa refused to acknowledge his expulsion and on March 18 insisted on his loyalty to the party and to the Sacred Union. He declared that the President had given him total freedom to run the country and that his administration would be free from presidential interference. He was formally confirmed in office by Mobutu on March 29.

Birindwa's appointment was not recognized by the HCR, which insisted on Tshisekedi's premiership. It was also rejected by the Belgian government, whose Foreign Ministry described it as an "unacceptable decision". Tshisekedi was also reported to have the backing of France and the USA.

On March 26 the HCR approved a reshuffled and expanded Cabinet list submitted on March 22 by Tshisekedi. Although few details of the new appointments were available in early April, it appeared that two portfolios were allocated to the *Mouvement populaire de la révolution* (MPR), the former sole party, as well as two others to presidential supporters. The remaining posts were assigned to members of the opposition and the civilian sec-

tor. Birindwa was reported to be having difficulty forming an administration.

An extraordinary session of the National Assembly, in theory dissolved by the national conference in September 1992 [see pp. 39082-83; 39129-30], began on March 29 in response to a call by Mobutu. The assembly, made up largely of MPR members, was expected to adopt constitutional proposals made by the conclave relating to the power of the president, relations between the president and the HCR, and the prerogatives of the HCR.

Army salaries

On March 8 the HCR announced that soldiers would be paid in denominations other than the Z 5,000,000 banknotes (about US\$2). Payments to soldiers with these controversial notes had led to serious rioting in January and provoked the February siege of the members of the HCR [see pp. 39257; 39304].

Ferry disaster

At least 147 Zaïreans drowned in a ferry accident on Feb. 28. The tragedy apparently occurred when a gangway collapsed, throwing hundreds of people into the River Congo. All the passengers aboard the Matadi ferry boat were Zaïrean nationals being expelled from Brazzaville, the Congo capital, as part of an operation to deport 10,000 illegal immigrants. The incident provoked a further breach in relations between the two countries, with a number of officials in Kinshasa expressing doubts about the circumstances surrounding the disaster.

■ Last article p. 39303-04; reference article pp. R25-26.

CENTRAL AFRICAN REPUBLIC

Appointment of new Cabinet

On March 2, following his appointment as Prime Minister on Feb. 26 [see p. 39305], Enoch Derant Lakoue announced his Cabinet, saying that he had sought to form a broadly based government representing a wide range

Principal members of Central African Republic Cabinet

Enoch Derant Lakoue Prime Minister

*Thierry Bingaba Minister of State; Economy; Planning and International Co-operation

Jacques Bosso Justice; Keeper of the Seals

*Emmanuel Dokoua Finance

*Jean-Marie Bassia Foreign Affairs

*Gen. Alphonse Gombadi Public Security and Territorial Administration

*Michel Koyt Higher Education and Scientific Research

Tchaëla Mbende Primary and Secondary Education

*Raymond Mbitiko Defence; War Veterans; Energy, Mines and Water Supply

*Ismaëla Nimaga Civil Service; Labour and Social Security and Vocational Training

Emile Djapou Minister in charge of General Secretariat of Government and Relations with Parliament

*Member of previous administration.

of parties. However, his efforts were almost immediately threatened when on March 4 Etienne Goyemide and Louis Papienia, who had been named as Minister of Tourism, Arts and Culture and Minister of Transport and Civil Aviation respectively, refused to join the new administration. The two men, thought to be close to former President and independent presidential candidate David Dacko, said that they had not been consulted. It was also reported that the members of the Central African Republic People's Liberation Movement had refused to participate in the government, and that the Alliance for Democracy and Progress had expelled its secretary-general, Tchakpa Mbende, after he accepted the Education portfolio.

■ Last article p. 39305; reference article p. R7.

EQUATORIAL GUINEA

UN condemnation of human rights violations

The UN Commission for Human Rights (UNCHR) was reported on March 10 to have condemned, for the second consecutive year [see p. R156], politically motivated violations of human rights in the country. The Commission, which decided to appoint a special rapporteur to monitor human rights in Equatorial Guinea, also urged President Brig.-Gen. Teodoro Obiang Nguema Mbasogo to establish an independent judiciary.

There was mounting concern that the government had instigated a reported death threat against the US ambassador, John Bennett in early February. Bennett, a staunch defender of human rights, had left the country on March 3 for "consultations" in Washington. In mid-January the US State Department in its annual report on human rights had accused the government of sanctioning torture, unlawful imprisonment and political intimidation.

Decree freeing political prisoners

A decree aimed at freeing all remaining political prisoners came into effect on March 30. Issued under a National Democratic Pact signed by the government and the Joint Opposition Platform, which represented legalized opposition parties, it followed talks between the two sides which had ended on March 18.

Merger of opposition parties

The two main opposition parties, the Christian Democratic Progress Party led by Severo Moto and the Guinean Popular Union headed by Armengol Engonga on March 23 signed a merger agreement in Madrid.

■ Last article p. 38903; reference article p. R9-10.

TOGO

Attack on presidential residence

A curfew was imposed and the borders with Benin and Ghana were closed on March 25 following a commando attack on the Tokoin

military camp, home of President Gnassingbe Eyadema. In a pre-dawn raid an indeterminate number of heavily armed men fired on the camp for almost three hours. Although the President was unharmed, at least five members of his entourage were killed including Gen. Mawulikplimi Ameji, the personal chief of staff to the President.

The Agence France-Presse news agency quoted Radio Liberté, a clandestine opposition radio station, as saying that the attack had been launched by "elements of the democratic forces" in an attempt to "seize the dictator". Leopold Gnininvi, chair of the Collective of Democratic Opposition-2 (COD-2), denied any opposition involvement and expressed disbelief that the report had come from the genuine Radio Liberté. However on March 29 Foreign Minister Ouataru Fambare Natachaba accused opposition leader Gilchrist Olympio of being personally responsible for the attack. He also repeated earlier allegations of Ghanaian complicity, insisting that the assailants had been Ghanaian citizens who had been recruited and trained there.

These allegations were categorically denied by the Ghanaian government, whose relations with its neighbour had deteriorated since the beginning of the year [see p. 39305]. Similarly Olympio dismissed all accusations of his involvement. Speaking on March 30 he suggested that the attack had in fact been the work of the President himself and called for an international commission of inquiry. He also demanded that the President halt recriminations, reporting that there had been a purge within the army and that several senior officers suspected of involvement in the attack had been summarily executed.

Opposition "Prime Minister"

Earlier in the month, the COD-2, which had rejected President Eyadema's reappointment of Prime Minister Joseph Kokou Koffigoh in February [see pp. 39305-06], had appointed its own Premier. Meeting in Benin on March 20-22, the COD-2 named Jean-Lucien Savi de Tome, leader of the Party of Democrats for Unity (PDU), as the head of an alternative administration. The move was rejected by the presidency and the Cabinet, which insisted that it was the prerogative of the President to appoint the government. The COD-2, however, maintained that it was the sole right of the High Council of the Republic (HCR—the transitional legislature). Savi de Tome acknowledged said that his appointment would have to be approved by the HCR; approval had not been granted as of April 1.

■ Last article pp. 39305-06; reference article pp. R24-25.

GHANA

New Cabinet

Following parliamentary approval, members of the new Cabinet were sworn into office by President Jerry Rawlings on March 22.

Rawlings had made his Cabinet nominations in a piecemeal fashion, beginning in early February and with the final batch of nominations being presented to the House of Parliament on March 4. With a few exceptions, the nominees received the approval of the Parliamentary Appointments Committee with relative ease, which provoked opposition complaints and some public criticism that the process

was merely a "rubber-stamping" operation. The opposition claimed that the Committee had not been sufficiently thorough in its cross-examination of the nominees, citing a number of apparently trivial questions. One nominee had, for example, been asked to name the colours of the ruling National Democratic Congress. However, the Committee did reject the nomination of two ministers-designate. Kojo Thompson, nominated

New Ghana Cabinet

- Kow Nkensen Arkaah Vice-President
- *Kwesi Botchwey Finance and Economic Planning
- George Kofi Akosah (MP) Science and Technology
- Harry Sawyer Education
- *Mahama Iddrissu Defence
- J. H. Owusu-Acheampong (MP) Parliamentary Affairs
- *Richard Kwame Peprah Mines and Energy
- *Obed Y. Asamoah Foreign Affairs
- *Col. (retd) E. M. Osei-Owusu Interior
- Commodore (retd) Steve Obimpeh (MP) Health
- *Ibrahim Issaka Adam Food and Agriculture
- Christine Amoako-Nuamah (f) Environment, Science and Technology
- David Sarpong Boateng (MP) Employment and Social Welfare
- Anthony Kofi Forson Justice; Attorney General
- Emma Mitchell (f) Trade and Industries
- Ato Quarshie (MP) Roads and Highways
- Edward Salia Transport and Communications
- Stephen Ayidiya Tourism
- David Kwesi Amankwa (MP) Lands and Forestry
- Kwamena Ahwoi Local Government and Rural Development
- *Kofi Totobi Quakyi Information
- Sqn.-Ldr. (retd) C. K. Sowu (MP) Works and Housing
- Lt.-Col. (retd) Abdulai Ibrahim Northern Region
- J. E. Ekuban (MP) Central Region
- I. K. Adjei-Mensah (MP) Brong Ahafo Region
- S. A. Guma Upper East Region
- Amidu Sulemana (MP) Upper West Region
- Michael Afedi Gizo (MP) Greater Accra Region
- Daniel Ohene Agyekum (MP) Ashanti Region
- Paul Kofi Peprah (MP) Eastern Region
- John Abu Western Region
- B. A. Fuseini (MP) Minister without Portfolio
- Vida Yeboah (f) (MP) Minister without Portfolio
- Godfrey Abulu (MP) Minister without Portfolio
- Ebenezer Kobena Fosu (MP) Minister without Portfolio
- *Member of previous administration.
- (MP) Member of Parliament.
- Women are denoted by (f).

as Minister of the Western Region, was found to have contravened legislation regarding the declaration of assets by public servants, while the nomination of Ekow Spio-Garbrah as Minister for Information failed when it was found that he had not registered as a voter, a constitutional requirement for all ministers.

Of the 35 ministers who gained parliamentary approval, 21 had served at some time on the Committee of Secretaries under the former Provisional National Defence Council (PNDC) which had given way to the Fourth Republic on Jan. 7 [see p. 39258]. These included the long-serving Kwesi Botchwey, Obed Y. Asamoah and Mahama Id-drissu. Just under half of the members of the new Cabinet were elected members of parliament.

■ Last article p. 39258; reference article pp. R11-12.

BENIN

Armed forces changes - Resignation of Defence Minister

On March 10 changes were made within the upper ranks of the security forces, with most of the heads of armed services and police being dismissed. The changes, which followed the escape of over 100 prisoners from Ouidah prison on March 6, prompted the resignation of the Minister Delegate to the Presidency in charge of Defence, Jean-Florentin Féliho, who claimed that he had not been consulted. His responsibilities were assigned on a temporary basis to Desiré Vieyra, General Secretary at the Presidency.

■ Last articles pp. 39041; 39086; 39309; reference article pp. R3-4.

SENEGAL

Third term for Diouf

On March 13 the Constitutional Court released the results of the first round of the presidential elections which had taken place on Feb. 21. They revealed that incumbent President Abdou Diouf had secured an absolute majority of valid votes and the support of more than one-quarter of all registered voters. He was thus re-elected to serve his third and final term of office without the need for a second round run-off [see pp. 32179-80; 35812 for his election in 1983 and in 1988].

The publication of the results ended almost three weeks of suspense, the result of disagreements among members of the National Electoral Commission (NEC) which included representatives of the eight political parties putting up candidates [see p. 39306]. The divisions appeared to be centred on allegations of electoral irregularities made by the seven opposition parties but played down by President Diouf's Senegalese Socialist Party (PS). Scrutiny of the results themselves had been delegated by the NEC to a National Vote-Counting Commission, also comprising representatives of all the parties. Having failed in an attempt to pass the task to the Constitutional Court, the Vote-Counting Commission eventually presented the results to the Court on March 12.

Senegal presidential election results

Candidate	Number of votes	Valid votes	Registered voters
Percentage			
Abdou Diouf (PS)	757,311	58.40	29.70
Abdoulayé Wade (PDS)	415,295	32.04	16.29
Landing Savane (PADS)	37,787	2.91	1.48
Abdoulayé Bathily (LD/MDT)	31,840	2.41	1.23
Iba Der Thiam (Convention of Democrats and Patriots)	20,840	1.61	0.82
Madior Diouf (RND)	12,635	0.97	0.50
Mamadou Lo (Civil Society)	11,058	0.85	0.43
Babacar Niang (PLP)	10,450	0.81	0.41
Total	1,297,216	100.00	50.86

PS: Senegalese Socialist Party.

PADS: African Party for Democracy and Socialism.

LD/MDT: Democratic League and Movement for the Labour Party.

PLP: Party for the Liberation of the People.

Abdoulayé Wade, Diouf's main challenger, who was fighting his fourth presidential campaign, made no immediate comment following the publication of the results. However, on March 28 he called on his supporters to begin a campaign of "passive resistance" against Diouf's re-election. He expressed the hope that his Senegalese Democratic Party (PDS) would be more successful in the legislative elections due in May.

Continuing Casamance violence

The violence attributed to the separatist Movement of Democratic Forces in Casamance (MFDC), which had marred the February elections in the southern province, continued in March. Up to 80 rebels were killed in clashes with the army on March 12-14 at the village of Badene, south of Ziguinchor. On March 17, in his first speech following his re-election, President Diouf announced the strengthening of security measures in the region and the dispatch of further troops to reinforce the 2,000 soldiers already deployed there.

■ Last article p. 39306; reference article pp. R19-20

CÔTE D'IVOIRE

Tension over ECOMOG bombing

On March 1 the government of Côte d'Ivoire issued a strongly worded protest to President Nicéphore Soglo of Benin as chairman of the Economic Community of West African States (ECOWAS). The action was provoked by the bombing of the Liberian-Ivoirian border on Feb. 27 by planes of the ECOWAS Monitoring Group (ECOMOG). According to Ivoirian Foreign Minister Amara Essy, ECOMOG had exceeded its mandate to defend itself in case

of attack and had seriously endangered the lives of civilians. He denied that there had been armed members of the rebel National Patriotic Front of Liberia (NPFL) in the area under attack.

On March 5 an ECOWAS delegation arrived in Abidjan, the Ivoirian capital. Headed by Nigerian Vice-President Augustus Aikhomu and including Nigerian Foreign Affairs Secretary Matthew Mbu (Nigerian aircraft had been used in the attack) the delegation sought to reassure President Félix Houphouët-Boigny that the incident had been an "operational error". While Foreign Minister Essy appeared to accept the explanation, there was speculation that the incident had weakened the commitment of the Ivoirian government to the ECOMOG operation in Liberia.

■ Last article p. 39306; reference article p. R14.

NIGER

Presidential elections

Presidential elections which took place over two rounds on Feb. 27 and March 27 resulted in a victory for Mahamane Ousmane of the Social Democratic Convention (CDS), a member of the newly formed Alliance of the Forces of Change (AFC) which had secured an absolute majority of National Assembly seats in legislative elections held on Feb. 16 [see pp. 39306-07, where the full names of two members of the AFC coalition, the Union for Democracy and Progress (UDP) and the Republic Party for Liberty and Progress in Niger, were inadvertently omitted from the footnote to the table]. The elections were the final stage of the transition to democracy which had started in November 1991 [see pp. 38520; 38562].

Ousmane's victory had been by no means certain. Tandja Mamadou of the former sole ruling National Movement for a Development Society (MNSD) had been the front runner in the first round. However, adopting similar tactics to those used to defeat the MNSD in the legislative elections, the nine AFC parties instructed their supporters to vote for Ousmane. Ousmane thus won the support of several of the first round candidates including Moumouni Adamou Djermakoye of the Niger Alliance for Democracy and Progress (ANDP) and Mahamadou Issoufou of the Niger Party for Democracy and Socialism (PNDS) [wrongly given on p. 39307 as the Niger Party for

Niger presidential election results

Candidate	First Round	Second Round
Percentage of vote		
Tandja Mamadou (MNSD)	34.00	45.54
Mahamane Ousmane (CDS)	26.00	54.46
Moumouni Djermakoye (ANDP)	15.00	-
Mahamadou Issoufou (PNDS)	15.00	-
Others	10.00	-
Turnout	32.51	35.30

Unity and Democracy]. Speaking on March 2 at a press conference where the AFC strategy for defeating Mamadou was unveiled, Ousmarou Youssoufou Garba, an Alliance leader, stressed that Ousmane was no longer a CDS candidate, but that of the AFC. He also gave details of a power-sharing deal under which Djermakoye would become Speaker of the National Assembly and Issoufou would be appointed Prime Minister should Ousmane be elected president.

Public-sector strikes

Financial difficulties dogging the transitional government became increasingly clear in March as a range of public-sector workers took industrial action in protest at the non-payment of salaries. They included police officers, workers from the state-owned broadcasting service and civil servants, many of whom were owed between three and four months of salary payments.

■ Last article pp. 39306-07; reference article pp. R17-18.

CAPE VERDE

Cabinet changes

Prime Minister Carlos Veiga announced a major Cabinet reshuffle on March 10, the main feature of which was the dismissal of Jorge Carlos Fonseca as Minister of Foreign Affairs. No official reason was given for the changes.

■ Last article p. 39260; reference article pp. R6-7.

Principal members of Cape Verde Cabinet

- Carlos Veiga Prime Minister; Defence
- +Enrico Correia Monteiro Minister of State in charge of Justice and Labour
- +José Tomás Veiga Minister of State in charge of Economic Co-ordination
- *Manuel Casimiro de Jesus Chantre Foreign Affairs
- José Teófilo Figueiredo Almeida Silva Infrastructure and Transport
- Manuel da Paixão Santos Faustino Education
- Rui Alberto Figueiredo Soares Health
- +Alfredo Teixeira Public Administration and Parliamentary Affairs
- *Mario da Silva Internal Administration
- *Helena Semedo (f) Fisheries, Agricultural and Rural Development
- *Ondina Ferreira Culture and Communication
- *Ulpio Fernandes Finance
- *João Higinio do Rosario Tourism, Industry and Commerce
- +Altered responsibilities.
- *New member.
- Women are indicated by (f).

CHAD

Massacre of civilians - National conference

Some 15,000 people had fled into the Central African Republic in response to massacres of

civilians in southern Chad by troops loyal to President Idriss Déby, according to the Chairman of the sovereign National Conference presidium, Adoum-Maurice El-Bongo [see p. 39307] as reported on March 17 by Agence France-Presse. According to the Chadian Human Rights League, Fulani and Arab pastoralists had been massacred, and villages burned by "armed groups" in the south.

The National Conference, which had begun work in mid-January [see pp. 39259; 39307] would not conclude on March 25 as planned, but would continue until April 6. It was reported to have set up a special court to try former President Hissène Habré, who was overthrown in 1990 [see p. 37907].

■ Last article p. 39307; reference article p. R7.

SUDAN

Peace process difficulties in south

Following contacts in Entebbe, Uganda, and Nairobi, Kenya, in February between the government and three factions of the rebel Sudan People's Liberation Army (SPLA) [see p. 39307], signs emerged in early March that formal peace negotiations might be close.

The SPLA's Torit faction led by Col. John Garang, indicated its readiness to attend peace talks in Abuja, Nigeria, following mediation by President Yoweri Museveni of Uganda, after which the rival SPLA Nasir faction led by Riek Machar and "Forces of Unity" faction under William Nyuon Bany were said also to be ready for talks [see pp. 38901; 38952; 39181 for previous peace talks].

Ali Elhag Mohammad, the Economic Planning and Investment Minister and official government spokesman to the peace talks, said in the Transitional National Assembly (TNA—parliament) in Khartoum on March 3 that the government was trying to unite the SPLA and was committed to seeking peace.

On March 17 Garang, a Christian, unilaterally declared a ceasefire which SPLA officials said was in honour of the Muslim *Id al-Fitr* holiday and intended to provide a favourable atmosphere for the Abuja talks. Two days later the government made a similar announcement. Garang was reported to have called for the establishment of safety zones in southern Sudan and in the Nuba mountains, where the government had previously been accused of genocide [see p. 39132], to enable relief supplies to be delivered to starving people before the rains, expected in May.

On March 31 Radio Omdurman reported a clash at Kongor in Upper Nile province between Garang's forces and the "Forces of Unity" faction, which appeared to threaten the peace process. A spokesman for the Nasir faction accused Garang's forces of killing 50 displaced people and war victims being cared for by the UN World Food Programme (WFP), and of stealing relief supplies.

A local UN representative, Jean-François Darq, was later reported to have been mistreated by Garang's forces, who accused the UN of aiding Machar's group. Agencies co-operating with the UN's Operation Lifeline Sudan were reported in early April to have withdrawn aid workers from the area, casting doubt on the future of the UN food distribution agreement with the factions [see p. 39228] which since December 1992 had led to an improved flow of relief supplies.

The dead at Kongor were later reported to include Joseph Odohu, a veteran southern politician and the author in the early 1960s of the original SPLA political manifesto, whose killing was thought likely further to weaken support for Garang. It appeared that after their Nairobi meeting in February, the two dissident SPLA factions' leaderships had withdrawn to Kongor for consultation and were ambushed there.

Warning from US administration

Herman Cohen, the outgoing US Assistant Secretary of State for African Affairs, addressed the US House of Representatives subcommittee for African affairs in Washington on March 10, calling on all sides to freeze their military positions and to end the civil war. Cohen was reported to have said that the USA was considering support for safety zones in southern Sudan for refugees fleeing civil war and famine.

Cohen was also said to have warned the Sudanese government that Sudan might be placed on Washington's terrorism list because of its links with Iran, Iraq and Libya, raising US concern over alleged human rights abuses, which the government had denied. On March 10, the UN Commission on Human Rights announced that it was to appoint a rapporteur for Sudan following reports of "grave violations" of human rights there.

When he visited Washington on March 14, Ali Elhag Mohammad invited the sub-committee to visit Sudan and investigate allegations.

■ Last article p. 39307; reference article p. R23.

ETHIOPIA

Release of Oromo prisoners - return of refugees

It was reported at the end of February that the transitional government had freed 16,000 supposed members of the rebel Oromo Liberation Front (OLF) who had been held in camps for some months. Agence France-Presse reported that about 5,000 Oromos were still held. The OLF had withdrawn from the Council of Representatives in June 1992, complaining of discrimination against the Oromo people [see pp. 38855; 38952; 39042].

On March 6 it was reported that the UN High Commissioner for Refugees (UNHCR) had repatriated 44,300 Ethiopian refugees from Kenya, and that others would follow soon. The Sudanese deputy commissioner for refugees, Muhammad Ahmad al-As, on March 10 said that arrangements were complete for the

voluntary repatriation of 300,000 Ethiopian refugees from Sudan.

Registration for Eritrean referendum

A total of 1,018,000 people, as of March 13, had registered to vote in the Eritrean referendum on independence from Ethiopia, due to be held on April 23. More than 200,000 of these were resident abroad, including 40,000 in Ethiopia, 150,000 in Sudan, and 28,000 in the USA.

■ Last article p. 39307; reference article p. R10.

SOMALIA

Preparations for UNOSOM-II

As US troops engaged in "Operation Restore Hope" continued their withdrawal [see pp. 39225-26; 39255; 39308], UN Secretary-General Boutros Boutros-Ghali was reported on March 5 to have proposed May 1 as the date for a handover of operations to a 28,000-member UN force, the proposed UN Operation in Somalia (UNOSOM-II). The force would be deployed throughout the country, including the north which had declared itself independent (as the Somaliland Republic) in May 1991 [see pp. 38182-83].

The first UNOSOM force, which was small and largely ineffective, had been deployed from September 1992 [see pp. 39034; 39085; 39132-33; 39181-82]; the US-led forces, also sanctioned by the UN Security Council, had arrived in December 1992 [see p. 39225]. At their peak, in mid-January 1993, these forces totalled 38,300. A US military spokesman in Mogadishu was quoted by Reuter on March 3 as saying that US forces might have to stay in large numbers for a further two months or more. The USA was understood to be prepared to contribute 5,000 troops to UNOSOM II.

On March 9, US Adml. (ret'd) Jonathan T. Howe replaced Ismat Kittani as the UN Secretary-General's Special Representative for Somalia, with a three-month mandate to oversee the transition to UNOSOM II.

The UN Security Council unanimously approved the Secretary-General's proposal for UNOSOM-II in a resolution on March 26 giving him unprecedented authority under Chapter VII of the UN Charter which permitted the Security Council to enforce its orders.

The force was expected to consist of 20,000 troops, 8,000 logistical support personnel and 2,800 civilian staff, at an estimated cost of \$1,500 million, and was authorised under Resolution 813 to do whatever was necessary to maintain peace, disarm warring factions and protect relief workers, many of whom were quoted as expressing fears about security if the Americans withdrew. The force would also be responsible for returning hundreds of thousands of refugees to their homes, clearing land mines, setting up a police force and helping to rebuild the economy.

Fighting and continued instability

Gun battles in the southern port town of Kismayu, which left an estimated 100 people dead at the end of February [see p. 39308],

broke out again, and on March 9 it was reported that 23 more people had been killed.

The town was reported to have been infiltrated by gunmen loyal to Mohammed Said Hersi (known as Gen. Morgan), a partisan of the exiled former President, Mohammed Siyad Barre [see pp. 38855; 39255]. They attacked followers of Col. Ahmed Omar Jess, a supporter of Mohammed Farah Aydid, leader of the Somali National Alliance (SNA), using women and children as human shields.

On March 18, a US quick-reaction force of 500 Marines arrived in Kismayu to restore order and bolster the US and Belgian garrisons after the fighting had provoked a suspension of the Addis Ababa talks the previous day [see below]. The Marines were withdrawn a week later, but on March 27, amid renewed fighting, 1,300 more were landed. Agency reports that day said that in four days of the worst faction fighting since early December 1992, about 100 Somalis had been killed in Kismayu.

Smaller clashes were reported in other parts of Somalia during March, with a number of Somalis killed. Four Belgian and two French soldiers were reported to have died in accidents during the month.

Apparent success of peace talks

A national reconciliation conference in Addis Ababa, to which the main factions had agreed in January [see p. 39255], opened on March 15 under UN auspices. The self-proclaimed President of Somalia, Ali Mahdi Mohammed, who claimed the allegiance of 11 factions, was said to have demanded the formation of a national government of transition, pending elections. Aydid and leaders of other delegations favoured first building regional authorities with power to control banditry.

Two days later, following reports that his supporters had been driven out of Kismayu, Gen. Aydid accused the international force of failing to act, and announced that he was abandoning the talks. Gen. Aydid returned to the conference on March 19 following the US Marines' intervention in Kismayu [see above].

On March 27 it was announced that a compromise agreement had been reached to form a Transitional National Council to be the supreme authority, with a mandate to lead the country to elections in two years.

The agreement, welcomed as "historic" by Gen. Aydid, also reportedly committed the factions to complete simultaneous disarmament within 90 days, and called for multinational forces to administer the existing ceasefire by imposing "strong and effective sanctions" against violators. The council would have three representatives from each of Somalia's 18 administrative regions and one representative from each of the 15 signatory factions.

■ Last article p. 39308; reference article pp. R20-21.

KENYA

Rejection of aid conditions

President Daniel arap Moi on March 22 announced that the government had decided to

reject as "unrealistic" aid conditions imposed on Kenya by the International Monetary Fund (IMF) and the World Bank. In a statement issued from the President's office, Moi said that Kenya was no longer prepared to accept "arm-twisting from any quarter", and declared that the government would henceforth pursue an "appropriate" economy "over which it has control". Accusing the IMF and the World Bank of seeking to "wreck [Kenya's] already weakened economy", Moi claimed that the two institutions had recommended further "harsh" measures including the raising of bank interest rates to 45 per cent and reducing the 270,000-strong civil service by 45,000.

In a separate statement issued the same day, Finance Minister Musalia Mudavadi reversed recent liberalization measures [see p. 39304] by ordering the reimposition of controls on foreign exchange and prices. The central bank abolished newly introduced "retention accounts" under which exporters had been permitted to retain and sell foreign exchange through the interbank market instead of remitting them to the central bank at a much lower exchange rate.

Reports said that the decision to reverse the economic liberalization programme favoured by the IMF and the World Bank had been taken after Western aid donors meeting in London on March 13-15 decided not to resume financial aid to Kenya, frozen since November 1991 [see p. 38563], despite a personal appeal from Moi. On March 19 Moi threatened to review relations with international donor agencies, saying that they had forced "dictatorial and suicidal" reforms on the country.

Moves to win back foreign aid had gathered momentum in mid-February with the announcement of far-reaching liberalization measures timed to coincide with the visit of an IMF delegation [see p. 39304]. However, in early March the delegation left Kenya without an agreement.

■ Last article p. 39304; reference article p. R13.

IN BRIEF

BOTSWANA: On March 11 Patrick Balopi, Minister of Labour and Home Affairs, reported that between August 1992 and January 1993 nearly 4,000 workers had been made redundant; he said that the job losses had mainly affected the textile, manufacturing and construction industries.

GUINEA-BISSAU: Maj. Robalo de Pina, the commander of the Rapid Deployment Force (FIR) and a close associate of President Brig.-Gen. João Bernardo Viera, was shot and killed by a subordinate on March 17; the army Chief of Staff on March 18 described the incident as an isolated attack and sought to scotch rumours of a coup attempt.

KBO: The heads of state of the four member states of the Kagera Basin Organization (KBO) held their first summit meeting in Bujumbura, Burundi, on March 21 when it was agreed to implement road building projects; the construction of a hydro-electric power station in Rusumo, Rwanda; and measures to eradicate the tsetse fly and trypanosomiasis.

MADAGASCAR: On March 3 Didier Ratsiraka, the outgoing President, announced the formation of a new political party, *Avantgarde pour le redressement économique et social* (ARES—Vanguard for Social and Economic Recovery), to replace the former ruling *Avantgarde de la révolution malgache* (Arema—Vanguard of the Malagasy Revolution); he said that the new party, of which he was secretary-general, would prepare for his return to power.

SÃO TOMÉ AND PRÍNCIPE: Capt. Antonio Paquete de Sousa was appointed as Chief of General Staff of the national army on March 2, replacing Capt. João Quaresma Bexigas, who had been accused of "corruption" by some young army

officers in February; Paquete de Sousa commander of police for three years under former President Manuel Pinto da Costa.

SIERRA LEONE: On March 30 government troops recaptured Pujehun, 210 kms south-east of Freetown, 24 hours after it had been seized by members of the rebel Revolutionary United Front (RUF); government sources reported that several rebels had been killed in the counter-attack as well as in clashes in other towns in the area.

TANZANIA: The Information Department announced on March 12 that 30,000 government employees would be made redundant by the end of the 1993-94 financial year.

panied by intense pressure from interest groups and could, it was suggested by many observers, make legislators less likely to carry through the cuts and, therefore, might sabotage the budget agreement.

Announcement of defence cuts

Defence Secretary Lee Aspin on March 28 unveiled a defence budget which planned cuts of \$88,000 million in spending over the next four years compared with the plans of the Bush administration. By 1998 it was envisaged that defence spending would amount to around only 3 per cent of gross domestic product (GDP), a level not achieved since before the Second World War.

The budget for fiscal 1994 was set at \$263,400 million, some \$12,000 million lower than that planned by the Bush administration. The reduction was to be achieved by cuts in the existing armed forces of two army divisions, 30 combat ships and two aircraft carriers, four air force fighter wings, and some 108,000 in active forces. The future of many costly and controversial equipment programmes such as the C-17 transport aircraft, the V-22 Osprey tilt-rotor aircraft or the Seawolf submarine, however, remained uncertain pending a "bottom-up review of defence needs and programmes" which would also look at the future structure of the armed forces.

Planned base closures

The cuts in the military announced by Aspin followed an earlier announcement, on March 12, which listed those domestic and overseas military bases earmarked for closure. The list included the closure of 31 domestic sites and the reduction in operation of more than 100 others. A total of 29 overseas installations were to be closed or curtailed.

In an effort to soften the publicity attracted by the unprecedented closure programme, the list had been widely leaked in advance. Also, on the day before it was officially released, Clinton had announced a \$19,500,000 retraining and investment package which was designed to help ease the transition from defence to civilian economies for both companies and communities affected by the defence cuts.

Retirement of Supreme Court Justice

Justice Byron R. White, 75, the only current member of the US Supreme Court to have been appointed by a Democratic President, announced on March 19 that he would retire at the end of the Court's current session in June or July. Although considered a moderate liberal at the time of his appointment in 1962, White later became aligned with the conservative majority acquired by the Court during the Reagan-Bush years. The probability that President Clinton would replace White with a more liberal successor was welcomed by civil rights advocates who saw it as an opportunity to begin adjusting the legacy of having had the last 11 justices appointed by Republican presidents. During his presidential election

AMERICAS

UNITED STATES

Approval of budget blueprint and deficit-reduction plan

President Bill Clinton's four-year economic and deficit-reduction package, which was unveiled in February [see pp. 39309-10], was debated by Congress during March. In a move reminiscent of President Ronald Reagan in 1981, Clinton appealed to the legislature to consider the package as a whole rather than examining it line by line, and to approve it quickly.

Using a process known as "reconciliation", a procedure pioneered by President Jimmy Carter and perfected during the Reagan era, it was possible to short-circuit the traditional labyrinthine process of budget negotiations by constructing a single spending and tax bill and compelling the legislature to accept or reject it as an integral package. The process had produced approval for Reagan's deficit-reduction and economic recovery plan in 1981 with unprecedented speed—a budget resolution had been agreed by May and the budget was passed in July and signed by the President in August—according to a schedule which the Clinton administration hoped to emulate.

In an unexpected development, on March 8 and March 9 the Democratic majority in Congress, in return for placing the budget on the reconciliation "fast track", required Clinton to include further cuts.

The Clinton plan included spending cuts of \$247,000 million and tax increases of \$246,000 million in 1994-97. These were to be partially offset, however, by spending increases of \$109,000 million and tax breaks of \$60,000 million. Overall, the administration estimated that the package would save \$473,000 million over five years. The Congressional Budget Office (CBO), the estimates of which Clinton had promised to treat as the most authoritative on the issue, however, calculated that the plan fall would fall \$67,000 million short of its five-year savings goal. Accordingly, Clinton agreed on March 8 to a congressional request for a further \$55,000 million in spending cuts over the next five years in order to close the gap.

On the following day the House budget committee approved a budget resolution (a non-binding as-

essment of revenues to be raised and spending limits for both discretionary and entitlement programmes) as the first step towards approving the package. However, the committee agreed unanimously to seek a total of \$63,000 million in additional cuts over five years, \$8,000 million more than had been agreed by the President. Clinton accepted the new cuts, stating on March 9 that the committee's revision was "consistent with the direction of my plan to reduce the deficit and increase investment". In response to proposals from the Senate for cuts of \$90,000 million, however, the President warned that Congress should be wary of destroying the incipient economic recovery and throwing the country back into recession.

After intensive negotiations between the administration and congressional leaders during March, Congress eventually passed a deficit-reduction package designed to save \$496,000 million over five years. The plan was approved by the House of Representatives on March 31 by 240 votes to 184, and by the Senate on April 1 by 55 votes to 45. Not a single Republican in either chamber voted in favour of the plan. Two Democratic senators and 12 Democrats in the House opposed the plan.

The deficit-reduction plan was built into a proposed \$1,500,000 million budget for fiscal 1994 (beginning Oct. 1, 1994). With the 1994 deficit currently calculated at around \$250,000 million, the plan was designed to reduce it by an average of \$10,000 million per year below current growth projections, and to produce a deficit by 1997 of \$192,000 million. The main ingredients in the package as eventually approved were \$273,000 million in new taxes, defence reductions of \$106,000 million and \$117 million in savings from non-defence programmes.

The \$16,300 million economic stimulation package which was designed to accompany the deficit-reduction programme remained held up in the Senate at the end of the month. Nevertheless, Clinton expressed optimism that the measure would eventually be approved.

The next stage in the budgetary process was the agreement of a budget reconciliation bill which would provide a detailed budget within the framework established by the budget resolution. The production of detailed proposals for spending and cuts was likely to be accom-

campaign Clinton had repeatedly stated that he would appoint justices who shared his support of the right to legal abortions.

Ruling on health task force

A federal judge in Washington handed down a ruling on March 10 which defined the official relationship between the President and the First Lady. District Judge Royce Lamberth ruled that Hillary Rodham Clinton was like any other "outsider" working for the White House and, therefore, that under the terms of a 1972 law on federal advisory committees her task force on health reforms [see p. 39262] had to hold information-gathering meetings which were open to the public.

The ruling resulted from legal action by two health groups and a public policy organization which sought to prevent the task force from meeting in secret. The Clinton administration claimed that Hillary Clinton was the "functional equivalent of a federal employee" and, therefore, that the task force was not subject to the 1972 law, which, by requiring that boards composed of non-federal employees should meet in public, was designed to prevent pressure groups from secretly exerting influence.

The ruling differentiated between information-gathering and policy-formulation meetings of the health task force, however, and permitted the latter to be conducted in closed session. President Clinton welcomed this as preserving the necessary degree of privacy to allow the task force to formulate legislative proposals which were due to be presented to Congress in May.

National service programme

Urging US teenagers to join him in a "great national adventure", Clinton on March 1 unveiled plans for a national service programme for school-leavers. The proposal, which had been a popular component of Clinton's 1992 presidential election campaign, aimed to widen access to higher education by enabling students to borrow colleges fees from the federal government and to repay them through subsequent voluntary service in schools, hospitals, the police and environmental services. Alternatively, students could accrue financial credits by undertaking voluntary service prior to attending college.

With tuition costs at US universities having risen by an annual average of more than 10 per cent throughout the 1980s, the cost of higher education had become a major political issue. During his election campaign Clinton had addressed this by promising that "everyone will be able to get a college loan as long as they are willing to give something back in return".

The President outlined his scheme at Rutgers University in Piscataway, New Jersey, before tapping an appearance for the music video television channel MTV. The timing of his announcement coincided with the 32nd anniversary of the foundation of President Kennedy's Peace Corps [see p. 17972]. Whereas even at its peak the latter had involved a total of no more than 16,000 volunteers,

however, Clinton's scheme aimed to attract 100,000 people by 1997. In an accompanying article in the *New York Times*, Clinton argued that the Peace Corps had "changed the way a generation of Americans look at themselves and the world", and suggested that his scheme would achieve a similar transformation of popular perception.

The cost of the scheme was estimated at \$9,500 million over five years. The initial pilot project, which was designed to involve some 1,000 people, would cost \$15,000,000, and was to be funded from Clinton's short-term economic stimulus package.

Abortion issues

Supreme Court ruling on Louisiana abortion law

The Supreme Court on March 8 refused to revive an invalidated Louisiana law which would have prohibited almost all abortions in the state. The Court thereby left intact rulings that the anti-abortion law would violate a women's constitutional right to end her pregnancy [see pp. 38383; 39231]. The Court's action followed its decision in November 1992 which left intact rulings invalidating similar anti-abortion legislation in the US territory of Guam [see p. 39231].

Killing of doctor outside Florida abortion clinic

Michael Frederick Griffin, an anti-abortion activist, shot dead a gynaecologist, David Gunn, outside a Florida abortion clinic on March 10. Griffin carried out the killing while attending a demonstration at the clinic in Pensacola organized by the militant anti-abortion group Rescue America.

Griffin was arrested at the scene and charged with murder. Commenting on the killing, Rescue America director Don Treshman said that while it was an "unfortunate" act, "the fact is that a number of mothers would have been put at risk by him and over a dozen babies would have died at his hands". Gunn's murder occurred against a backdrop of increasingly violent anti-abortion protest. In mid-February an abortion clinic in Texas was fire-bombed and in early March a number of clinics in California were sprayed with acid. Anti-abortion groups such as Rescue America had also increased the use of "impact teams" to harass both clinic personnel and patients.

Demonstration outside IPPF offices in London

The British anti-abortion group Rescue, led by Fr James Morrow, organized a large demonstration outside the London offices of the International Planned Parenthood Federation (IPPF) on March 30. The demonstration was attended by anti-abortionists from a variety of countries, including the USA. Police arrested 19 people at the demonstration, mostly pro-abortionists.

Treshman had arrived in the UK on March 28 to attend the IPPF demonstration. However, following his appearance on British television he was arrested and served with a deportation order on March 30. In issuing the order, the UK Home Office stated that Treshman's presence in the UK

"is not conducive to the public good". Treshman was released on bail on April 1 to await a date for his appeal against the deportation order.

Issues relating to gun control

Presidential condemnation of NRA

On March 1 Clinton condemned the National Rifle Association (NRA)—one of the most powerful pressure groups in the USA—for opposing efforts to control the ownership of guns. Clinton stated that it was "an error" for the NRA to "oppose every attempt to bring safety and some rationality into the way we handle some of the serious criminal problems we have", and urged the pressure group to return to its role as a provider of information about hunting and safety rather than opposing control proposals.

The President's remarks were made in response to NRA opposition to gun-control measures in Virginia and New Jersey. Earlier in the year the Virginia legislature had passed a law limiting the purchase of handguns by any individual to one per month other than in exceptional circumstances. Although less strict than the legislation originally proposed by Governor Douglas Wilder, the law was bitterly opposed by the NRA. In New Jersey, the legislature voted in 1992 to repeal the state's prohibition on the ownership of semi-automatic weapons, one of the country's most restrictive laws on gun-ownership. Democratic Governor Jim Florio vetoed the repeal but was overruled by the state's lower house. On March 15, however, the gun lobby suffered a rare public defeat when the New Jersey senate defied intensive NRA lobbying and voted to sustain Florio's veto.

Siege at Waco

Clinton's remarks, and the New Jersey senate vote, were made in the context of an armed siege at Waco, Texas, which lasted throughout the month of March. The siege began on Feb. 28 when agents from the federal Bureau of Alcohol, Tobacco and Firearms launched a raid on the headquarters of the Branch Davidian sect 10 miles east of Waco, in what was believed to be an investigation into allegations that the cult had been amassing high-powered weapons and explosives. The agents were repulsed in an intensive gun-battle which left four agents and an unknown number of cult members dead.

There followed a stand-off as the 77-acre ranch was besieged by several hundred heavily armed federal agents and state police, who were reported to have been ordered by Clinton to take no action which could increase the death toll. Although a large number of children were allowed to leave the ranch during March, there remained around 100 adults who were believed to possess extensive stocks of ammunition and provisions. The leader of the Branch Davidian sect, an off-shoot of the Seventh Day Adventist Church, was David Koresh, 33, a self-proclaimed prophet.

Bombing arrests

During March federal authorities arrested a number of people accused of involvement in the Feb. 26 bombing of the World Trade Center in New York City [see p. 39311]. Auth-

orities recovered a body from the rubble of the Centre on March 15, the number of known fatalities thereby increasing to six.

On March 4 the Federal Bureau of Investigation (FBI) arrested Mohammed Salameh in Jersey City, New Jersey. He was subsequently charged with "aiding and abetting" the bomb attack. Salameh, aged 25 and of Palestinian origin, was arrested while trying to reclaim a rental deposit on a van destroyed in the blast.

According to a report in the *International Herald Tribune* of March 5, Salameh was a member of the same "Muslim fundamentalist group" which had assassinated the ultra-militant Zionist leader Rabbi Meir Kahane in New York in November 1990 [see p. 37872]. The group was reportedly led by Sheikh Umar Abdul Rahman, a Jersey City-based Egyptian cleric. Rahman, who unequivocally denounced the bombing in a statement issued on March 5, was widely regarded as a spiritual leader of several radical Egyptian-based groups operating under the Islamic *Jihad* umbrella [see also p. 39392]. On March 17 a US immigration judge ordered Rahman to be deported on the grounds that he was a polygamist and had been convicted of falsifying a cheque in Egypt in 1987.

Ibrahim Elgabrowni, an Egyptian-born contractor, was also arrested on March 4 and was subsequently charged with obstructing justice by scuffling with FBI officers who were searching his apartment for clues.

On March 10 the FBI arrested Nidal Ayyad, a Kuwait-born chemical engineer, at his New Jersey home. He was subsequently charged with "aiding and abetting" the bombing. Ayyad and Salameh had together rented the van believed to have been used in the attack.

Salameh and Ayyad pleaded not guilty to charges of aiding and abetting the bombing in federal court in New York City on March 25. At the same time Elgabrowni pleaded not guilty to charges of assaulting federal agents.

The Egyptian authorities on March 24 handed over to FBI officers in Cairo Mahmoud Abu Halima, who had fled from the USA on March 6. Halima, described by FBI officials as the dominant force in the attack, was extradited from Egypt and was charged in New York on March 25 with aiding and abetting the bombing. Also on March 25 Bilal Alkaisi gave himself up at the FBI's Newark, New Jersey, offices after hearing that agents wanted to question him.

Storm havoc

The eastern coast of the USA was ravaged on March 12-15 by one of the worst storms to have struck North America in the 20th century. Although the impact of the storm was worst in the southern states (it spawned 50 tornadoes in Florida alone, while Birmingham, Alabama, experienced 15 inches of snow), there were fatalities in at least 17 states ranging from Florida to Maine. At least 163 people were reported dead in the USA, while a further five died in Canada and three in Cuba, and an unknown number were drowned in international waters. With at least

70 people missing, it was feared that the final death toll would exceed 200.

■ Last article pp. 39309-11; reference article R54-56.

MEXICO

PRI funding controversy

The ruling Institutional Revolutionary Party (PRI) announced on March 9 that a limit of 1,000,000 pesos (approximately US\$325,000) was to be placed on individual donations to the party. PRI party president Genaro Borrego insisted that funds would now only be accepted from individuals and "social" organizations, not from incorporated businesses, religious groups or foreign agencies. He added that such contributions would not be tax deductible.

However, critics claimed that the new restrictions only applied to contributions to the party's trust fund and did not set upper limits on other fund-raising activities such as a national lottery and a credit card system for 500,000 sympathizers.

The announcement came in the wake of sustained protests by opposition parties and the independent media following the disclosure that contributions of US\$25,000,000 each to help finance the 1994 PRI presidential election campaign had been requested from and pledged by 30 leading businessmen at a private dinner on Feb. 23 also attended by President Carlos Salinas de Gortari. Many of those present had benefited massively from the government's privatization policies and were allegedly promised security for their investments in return for their co-operation.

In November 1992 Salinas had called for new legislation to make party financing more "transparent" and to set limits on campaign spending [see p. 39184]. The opposition claimed that the amounts which the PRI was now trying to raise supported their claim, always denied, that the PRI had hitherto benefited from of public funds.

New Transport Minister

Emilio Gamboa Patrón was appointed Transport and Communications Minister on March 29, replacing Andrés Caso Lombardo, who, according to an official statement, had been assigned to "an important position in the Mexican foreign service" but who in recent months had been involved in controversy over the awarding of air traffic control contracts.

Plebiscite on election of officials

An unofficial plebiscite was held on March 21 in the Federal District, consisting of the capital, Mexico City, and several neighbouring small towns and villages.

The organizers, an ad hoc coalition of opposition politicians, intellectuals and civic organizations, claimed that 85 per cent of participants had voted in favour of the direct election of the Governor of the Federal District and of the city legislature, both currently appointed by the President. Two-thirds of those voting also wanted the capital to be the country's 32nd state. The PRI denounced the plebiscite as an opposition trick, claiming that only

300,000 people, fewer than 7 per cent of registered voters, had been involved.

State elections

In elections on March 7 in the state of Baja California Sur, the PRI narrowly won the governorship, winning 49,900 votes to 45,006 for the National Action Party (PAN). However, the PAN won a majority in the state congress and took most of the important municipalities.

Official results released on March 3 of the elections held in the south-eastern state of Guerrero on Feb. 25 produced the expected large PRI victory (63.5 per cent) and opposition protests of ruling party fraud. The centre-left Party of the Democratic Revolution (PRD) came second (27.4 per cent) but no other party gained more than 3 per cent. Abstentions reach the unprecedented level of 67.01 per cent.

Party appointments

In what was seen locally as an attempt by Salinas to bolster the PRI's image, Borrego was on March 30 removed from office as PRI president after only 10 months in office and appointed head of the Social Security Institute. He was replaced by Fernando Ortiz Arana, leader of the PRI in the Chamber of Deputies.

Carlos Castillo Peraza was appointed president of the PAN on March 6, replacing Luis H. Alvarez.

In February Cuauhtémoc Cárdenas Solórzano stepped down as national co-ordinator of the PRD in order to concentrate on his bid for the presidency in 1994.

Economic performance in 1992

According to official figures for 1992 released in March, the economy grew by 2.6 per cent, down on the 1991 figure of 3.6 per cent. Existing capital stock had rapidly depreciated, lessening the effect of increases in total investment of 13.9 per cent and in private investment of 20.4 per cent.

The 1992 trade deficit rose to US\$20,600 million, an 85 per cent increase compared with 1991 [see also p. R46]. The government argued that the surge in imports reflected restructuring of domestic industry and covered capital and intermediate goods aimed at improving productivity and international competitiveness. The deficit was being comfortably financed but at the cost of an annual interest rate of nearly 10 per cent.

■ Last article p. 39264; reference article pp. R45-46.

CUBA

Election of senior officials

The first session of the National Assembly of People's Power (ANPP), directly elected in February [see pp. 39311-12], unexpectedly chose Foreign Minister Ricardo Alarcón de Quesada as its new President on March 15. Analysts believed that this implied that the ANPP would play a more significant role than hitherto, when it had been seen as a rubber

stamp for official Communist Party (PCC) policy. This view was supported by election of an economist, Jaime Crombet Hernández Maurell, a Vice-President of the outgoing Council of Ministers, as the ANPP Vice-President.

Roberto Robaina González, first secretary of the Union of Young Communists, was named as the new Foreign Minister on March 30. Robaina in turn was replaced by Juan Contino.

The ANPP also on March 15 voted in a "united list" to the 31-member Council of State, of whom more than half had previously been members. Fidel Castro Ruz and Gen. Raúl Castro Ruz were re-elected respectively the Council's President and First Vice-President, each with all of the votes of the 578 deputies present (out of a total of 589).

Of the Council of State's five Vice-Presidents, Juan Almeida Bosque (576 votes) and José Ramón Machado Ventura (566) were confirmed in their posts. New appointments were Abelardo Colome Ibarra (576 votes), Carlos Lage Davila (578) and Juan Esteban Lazo Hernández (574). The Council's Secretary remained José M. Miyar Barrueco (576 votes).

Osmany Cienfuegos Gorriarán and Pedro Miret Prieto were replaced as Vice-Presidents but remained members of the Council of State. Veteran Carlos Rafael Rodríguez Rodríguez stepped down for health reasons, while removed from Council membership were such "commanders of the revolution" as Guillermo García Frías and Ramiro Valdés Menéndez.

Under the Constitution Fidel Castro automatically became President of the new Council of Ministers, the members of which had yet to be appointed.

■ Last article pp. 39311-12; reference article p. R37.

HAITI

US diplomatic initiative

Marc Bazin, Prime Minister of the army-backed government, held talks in the capital, Port-au Prince, on March 26 with the UN and Organization of American States (OAS) special envoy Dante Caputo, building on his recent diplomatic efforts [see pp. 39264; 39312], and Lawrence Pezzullo, the special envoy of US President Bill Clinton. Bazin stated afterwards that government had decided to "support the negotiation process totally" in order to resolve the current political crisis. Pezzullo had reportedly informed Haitian army leaders that Clinton's patience with the regime, accused of gross human rights abuses, was "running out".

Pezzullo's mission was a direct consequence of the March 16 Washington meeting between Clinton and the exiled President, Fr Jean-Bertrand Aristide, ousted in a September 1991 military coup [see pp. 38430; 38522-23]. Clinton announced his support for a US\$1,000 million development grant spread over five years, conditional on the restoration of democratic government, but, significantly, refused to announce a deadline for Aristide's restoration to office.

Political observers were agreed that Clinton's initiative would place little additional pressure on the military, and that the USA's main priority was to prevent a renewed flow of asylum-seeking refugees to that country [see p. 39264].

■ Last article p. 39312; reference article pp. R43-44.

JAMAICA

General election

The ruling social democratic People's National Party (PNP) was returned to office in a landslide victory in a general election held on March 30, 11 months earlier than was constitutionally necessary. The result was a personal triumph for Percival J. Patterson, who continued as Prime Minister, and a disaster for the conservative opposition Jamaica Labour Party (JLP) and its veteran leader, former Prime Minister Edward Seaga. With six seats still to be decided, the PNP had won 48 of the 60 seats in the House of Representatives and the JLP six. The PNP's final tally was projected to be 53 or 54 seats. The result also represented a shift in power towards rural parishes and away from the capital, Kingston, where the JLP had its power base.

The PNP's election campaign had projected Patterson as the black champion of the 90 per cent of the population of African origin and had on the economic front emphasised a determination to continue with the implementation of free-market initiatives, privatization of the state sector and the deregulation of the foreign exchange market.

In addition, prolonged dissent within the JLP was skilfully used by the PLP to portray the JLP as unfit to govern. The so-called "gang of five"—leading JLP party members who accused Seaga of being autocratic and who had attempted to oust him as leader in July 1992 [see p. R45]—were all unseated.

The three-week election campaign was marred by violence. At least 10 people were killed despite a code of conduct signed by political leaders committing all candidates to restrain their supporters. Electoral officials denied JLP charges that thousands of names had been omitted from voting lists, although voting irregularities were reported in so-called "garrison" constituencies, mainly depressed areas in Kingston.

■ Last article p. 39231; reference article pp. R44-45.

GRENADA

Cabinet reshuffle

In a Cabinet reshuffle on March 2 the Health, Housing and Environment Minister Michael Andrew was dismissed and replaced by Phinley St Louis, hitherto Works, Communications and Public Utilities Minister. Joan Purcell, Minister for Tourism, Civil Aviation, Women's Affairs, Youth Affairs, Sports and Culture, replaced St Louis but retained the Women's Affairs portfolio. Her other portfolios were taken over by Tillman Thomas, hitherto Minister of State for Finance, whose office was left temporarily vacant.

Andrew was dismissed after publicly criticizing Purcell for commissioning without his knowledge a study into conditions at the general hospital in St George's, the capital. Purcell refused his demand for an apology.

■ Last article p. 38861; reference article pp. R41-42.

HONDURAS

Human rights investigation commission

A special commission to investigate human rights abuses by the armed forces (FFAA) was sworn in on March 16.

Headed by Mgr Oscar Andrés Rodríguez Madañaga, representing the archdiocese of Tegucigalpa, and was additionally composed of politicians from the executive and legislative branches of government and of representatives of the judiciary, the media and the four presidential candidates.

The commission's first act was to request the immediate appointment of an arbitration commission to investigate the National Division of Investigations (DNI), the military's secret counterintelligence wing, with a view to bringing it under civilian control or to suggesting an alternative to it.

President Rafael Leonardo Callejas was forced to announce the creation of the commission on March 1 after failing to quell mounting popular pressure for action. Accumulated evidence of the FFAA's abuse of power, catalogued by such groups as the Honduran Committee for the Defence of Human Rights (CODEH), implicated it in assassinations and other criminal activity.

Troop deployments

Callejas also on March 1 announced that troops had been withdrawn from the capital Tegucigalpa and the city of San Pedro Sula, both of which had been occupied with the support of tanks the previous weekend. The FFAA claimed that it was "combating delinquency" and "terrorist activities", but the press and some opposition political leaders claimed that the deployment was an exercise in "intimidation" of the population.

The armed forces C-in-C., Gen. Luis Alonso Discua Elvir, confirmed on March 2 that "normal patrols" would continue in both cities and claimed that the mobilization had taken place "at the request of the presidency in response to the people's demand for security measures". He dismissed rumours of a coup attempt.

■ Last article p. 39090; reference article p. R44.

NICARAGUA

Embassy siege in Costa Rica

Armed right-wing former contra rebels, who on March 8 had stormed the Nicaraguan embassy in the Costa Rican capital, San José, released the last of their 25 hostages on March 21. The kidnappers' leader, José Manuel Urbina Lara, was granted political asylum in the

Dominican Republic, and three other unidentified gunmen were flown by Costa Rican military helicopter to a mountainous region in neighbouring Nicaragua. The archbishop of Managua, Cardinal Miguel Obando y Bravo had acted as the leading mediator in the crisis, supported by Nicaraguan and Costa Rican officials.

The Nicaraguan government denied that it had paid a ransom to the gunmen, members of the so-called *Yolaina* Commando Unit, claiming instead that relatives of one of the hostages, Alfonso Robelo, the Nicaraguan ambassador to Costa Rica, had paid them US\$250,000. The government did not deny, however, that it had released three armed members of the National Salvation Democratic Front (FDSN) who had occupied Radio Mundia in Managua on March 12 to read a communiqué in the support of the embassy occupation.

The rebels repeated key demands of conservative parties which had broken with the ruling National Opposition Union (UNO) of President Violeta Chamorro de Barrios in January and had campaigned since February as the National Opposition Union-Political Opposition Alliance (UNO-APO) [see pp. 39265; 39313].

The demands were for the dismissal of the former Sandinista National Liberation Front (FSLN) leader Gen. Humberto Ortega Saavedra as C-in-C. of the Army and of Presidency Minister Antonio Lacayo Oyanguen, seen as the architect of closer ties with the FSLN; in addition a US\$6,000,000 ransom was demanded, US\$5,000,000 of which were to be given to Cardinal Obando y Bravo for social projects, the remainder to finance their own movement. The government rejected the demands and repeated calls for the opposition to participate in national dialogue.

■ Last article p. 39313; reference article p. R47.

EL SALVADOR

Report of Truth Commission

On March 15 the report of the Comisión de la Verdad (Truth Commission), set up in July 1992 under the terms of the UN-sponsored peace accord ending the country's civil war [see p. 38716] to investigate human rights abuses in El Salvador between 1980 and July 1991, was publicly released in New York by the UN Secretary-General Boutros Boutros-Ghali. Copies of the report, entitled *De la locura a la esperanza* ("From Madness to Hope"), were handed to representatives of President Alfredo Cristiani Burkard's right-wing National Republican Alliance (ARENA) government and of the former rebel Farabundo Martí National Liberation Front (FMLN) party.

The Truth Commission, which comprised the former Colombian President, Belisario Betancur, the former Venezuelan Foreign Minister, Reinaldo Figueredo, and a US human rights jurist, Thomas Buerghental, found that the army and its associated paramilitary groups were responsible for the overwhelming majority of atrocities examined, and that most of the civil war's 75,000 victims were civil-

ians targeted by the security forces as perceived left-wing sympathizers. The FMLN was alleged to be responsible for 300 "disappearances" and 400 murders, including the killing of judges, pro-government mayors and rebel movement dissidents.

The Commission's findings were based on analysis of more than 2,000 statements relating to 7,000 victims, as well as information from secondary sources concerning another 18,000 people.

The report concluded that the atrocities committed by the security forces were not uncontrolled excesses but the result of a deliberate counterinsurgency strategy by the state. It held the US-trained Atlacatl battalion responsible for the 1981 Mozote massacre of 1,000 civilians, and identified by name some 40 members of the security forces explicitly linked to other human rights crimes. They included the Defence Minister, Gen. René Emilio Ponce, his deputy, Gen. Orlando Zepeda, and the former commander of the air force, Gen. Juan Rafael Bustillo, who were said to have ordered Col. Guillermo Benavides to organize the murder of six prominent Jesuits at the Central American University in November 1989 [see pp. 37037-38; 37181; 37957; for Benavides' conviction and sentencing see pp. 38414; 38716].

The 40 military personnel named were said to form part of the list of officers which the UN accord's Ad Hoc Commission, on purging the armed forces of human rights violators, had earlier recommended for removal, including 15 officers whose cases had been handled to the UN's satisfaction by President Cristiani [see pp. 39266-67].

The government's intransigence over the matter led the United States on March 12 to suspend US\$11,000,000 of military aid earmarked for El Salvador in 1993. As a consequence Gen. Ponce submitted his resignation as Defence Minister on the same day.

Also named in the Truth Commission's report was Maj. Roberto D'Aubuisson, the founder, now dead, of ARENA, who was alleged to have been responsible for the organization of death squads and for the 1980 assassination of Archbishop Oscar Romero [see p. 30324]. The report called for a special investigation into the death squads which, the report claimed, still represented a "potential menace".

Among the leading FMLN members identified in the report were Joaquín Villalobos and Ana Guadalupe Martínez, both leaders of the People's Revolutionary Army (ERP).

The Truth Commission's report recommended that all individuals named in its report should be barred from public office for at least 10 years and also be permanently disqualified from all public security and national defence duties. Pointing to the failure of the judiciary to act to protect human rights, it also called for all Supreme Court judges to step down so as to facilitate judicial reform and the pursuit of justice over the crimes.

While the Commission's recommendations were accepted by the FMLN, government and army officials claimed they were not legally binding and attacked what they regarded as an unacceptably biased report. UN officials asserted, however, that the recommendations of the Truth and Ad Hoc commissions were mandatory under the terms of the peace accord.

On March 20 the ARENA-controlled National Assembly voted to impose an amnesty covering all political crimes committed before Jan. 1, 1992. The law, which ordered the release of all those previously sentenced and rescinded any pending arrest warrants, was opposed by the former ruling Christian Democratic Party (PDC), the Democratic Convergence (CD) coalition and the National Revolutionary Movement (MNR) in the Assembly, and by the FMLN and the Catholic church. These all argued that an amnesty could only be contemplated once the recommendations of the Truth and Ad Hoc commissions had been complied with.

Allegations of US involvement

Publication of the Truth Commission's report also drew attention to allegations of US involvement in the repression.

Robert Torricelli, chair of the US House of Representatives sub-committee on western hemisphere affairs, charged that the Reagan administrations had covered up abuses in order to secure congressional approval of military aid for the Salvadorean military during the 1980s. The members of the UN Truth Commission told the sub-committee that US officials in El Salvador should have been aware that abuses were taking place.

New ONUSAL head

On March 12 it was announced that the former Colombian Foreign Minister, Augusto Ramírez Ocampo, had been appointed head of ONUSAL, the UN observer mission in El Salvador, and would take up his position on April 1.

■ Last articles pp. 39265-66; 39316; reference article pp. R39-40.

VENEZUELA

Accusations of corruption

The Attorney General, Ramón Escovar Salom, on March 11 applied to the Supreme Court for a ruling as to whether there were grounds for President Carlos Andrés Pérez to stand trial for "misuse of funds and embezzlement". The affair concerned state funds of 250,000,000 bolivares (approximately US\$17,000,000) which had been converted into US dollars at preferential rates in March 1989. Pérez, who on March 12 stated that he accepted pre-trial proceedings in order to clear the matter up, insisted that the money had been used for "secret" security and defence purposes. Opponents, on the other hand, claimed that it had been spent on his 1989 presidential campaign and on other non-security projects.

Pérez was booed in the Congress as he began a live state of the nation broadcast on March 11, and senators and deputies of the opposition Movement Towards Socialism (MAS) left the chamber.

Overtaking of presidential decree

Pérez's public standing was further eroded by the decision of the Supreme Court on March 11 to nullify presidential decree 2669 which

had established a special court to try those charged with involvement in the Nov. 27, 1992, coup attempt [see pp. 39185-86; 39267]. Those acquitted by the court would now, apparently, remain so, while those sentenced, both civilians and military, were thought likely to be retried by an ordinary court martial.

Existing legislation allowed civilians to be tried in a military court for the offence of "rebellion".

Serious anti-government protests

There were anti-government protests and violent clashes on March 7-9 between students and police in Caracas and in Barquisimeto and Los Teques, 260 and 20 km respectively from the capital. In south-western districts of Caracas school students blocked traffic and attacked riot police with rocks and sticks; 20 people were arrested and 14 injured, and a student was killed by a tear-gas bomb.

A protest demonstration outside the Congress in Caracas was broken up by the police using bird shot on March 11.

■ Last article p. 39314; reference article pp. R58.

COLOMBIA

Escobar's surrender terms

Mgr Dario Castrillon, the archbishop of Bucaramanga, stated on March 17 that he had been approached by lawyers acting for the cocaine baron Pablo Escobar Gaviria who had softened his conditions for surrendering to the authorities. Escobar, wanting Castrillon to guarantee his safety, in particular re-emphasised the demand recently put to US authorities.

In faxed answers on March 2 to the questions submitted by the *New York Times* to him through his lawyers, Escobar reduced a previously long list of surrender conditions to one, namely that he would give himself up if the USA provided residence visas for his family. The following day the US embassy in the capital, Bogotá, stated that the offer was unacceptable.

Escobar's family had been prevented from leaving the country by air for the USA in mid-February [see p. 39313].

The government continued to demand Escobar's unconditional surrender.

Further cartel setbacks

Escobar's surrender offer followed further serious setbacks to the Medellín cartel's leadership [for February surrenders see p. 39313]. The cartel's alleged head of security, Hernán Dario Henao was shot dead by special security forces on March 1 and the same day William Cárdenas Calle surrendered. Dario Cardozo Metante, Gonzalo Antonio Restrepo Henao and the alleged "financial brain" of the Medellín cartel, José Fernando Posada Fierro surrendered on March 2. Julian David Gómez was captured on March 7.

Observers were agreed that the setbacks were closely linked to the continued activities directed against the Medellín cartel by suspected former cartel confederates who had formed themselves into the paramilitary group known as Pepes, the Spanish acronym for People Persecuted by Pablo Escobar [ibid.].

Guerrilla peace offer

As reported on March 17, the government had received an offer from some 500 members of the National Liberation Army (ELN) who had agreed to disarm in return for guarantees for their personal safety and the chance to form a political party. The government had already rejected the participation of any guerrillas in a "National Peace Summit" proposed by the left-wing Democratic Alliance M-19 (ADM-19) coalition to analyse violence and the "re-insertion" of the guerrillas into civilian life.

Three alleged leaders of the Revolutionary Armed Forces of Colombia (FARC) were captured on March 10 in Medellín, one of whom was named as Diego Alberto Gómez Cardona, commander of the Bolivarian Militias' urban network. Captured on the same day in Cartagena was Reinaldo Avila Manjarres, the alleged commander of the ELN's Jaime Bateman Front operating on the Caribbean coast.

Cabinet changes

The Minister of Education, Carlos Holmes Trujillo García, and of Agriculture, Alfonso López Caballero, both of the Liberal Party (PL), resigned in March in order to run in the next congressional elections. They were replaced respectively by Maruja Pachón de Villanizar and José Antonio Ocampo.

■ Last article pp. 39313-14; reference article pp. R35-36.

PERU

Settlement of debt arrears

The scheduled depositing of short-term bridging credit extended by Japan's Eximbank and the United States treasury [see also p. 39314] allowed the country on March 18 to clear more than US\$1,700 million arrears with the International Monetary Fund (IMF) and the World Bank.

The IMF on that day lifted Peru's ineligibility to use the IMF's general resources and approved a three-year credit under the extended fund facility (EFF) authorized drawings up to the equivalent of SDR 1,018 million (about US\$1,395 million) over three years. Peru was now able to encash its accumulated rights of SDR 621 million (about \$850 million), equivalent to its arrears with the IMF paid immediately beforehand and allowing it to repay the USA and Japan. Cleared arrears of US\$900,000,000 with the World Bank immediately activated credits of US\$1,030 million.

Agreement had still to be reached with the "Paris Club" of Western creditor countries over debts totalling more than US\$8,000 million and with commercial creditors owed around US\$6,000 million. A further US\$1,300 million was owed to suppliers. The total foreign debt stood at US\$21,000 million.

Prison breakout

At least 70 prisoners escaped from the Quencoro prison, situated 11 km from the Andean highland capital of Cuzco on March 29. The majority were left-wing guerrillas of *Sendero Luminoso* (Shining Path) and the Tupac Amaru Revolutionary Movement (MRTA).

The breakout took place after an attack on the prison by two armed groups who breached a wall with a vehicle laden with dynamite. Unconfirmed reports put Walter Palacios, one of *Sendero*'s most important leaders, among the escapees. President Alberto Keinya Fujimori described the mass escape as a "setback" in the fight against terrorism.

Margot Domínguez, a *Sendero* military leader, was arrested in the capital, Lima, on March 2 and an MRTA leader, Commandant Danilo, was arrested on March 7.

■ Last article p. 39314; reference article p. R49-50.

BOLIVIA

Social unrest

The coalition government of President Jaime Paz Zamora announced on March 25 that it had reached agreement with the Bolivian Workers' Confederation (COB) following weeks of widespread social unrest during which trade unionists and students, opposed to neo-liberal economic policies, clashed violently with the military and riot police. Wage increases of between 9 and 20 per cent were reportedly conceded and an understanding was reached on the future of state enterprises although no details were released. Teachers' and miners' unions were reported to be dissatisfied with the agreement.

Talks between the COB and the government on wage increases had broken down on March 18 and the police and army units were placed on national alert. Barricades were erected by demonstrators in several cities in an attempt to prevent the deployment of tanks and armoured personnel carriers. The capital, La Paz, and its satellite city El Alto came under military occupation on March 19. On the same day a 14-year-old school student was killed and dozens of demonstrators reportedly injured during clashes with troops in the southern city of Potosí.

Four COB leaders had gone on hunger strike on March 1 in protest at the government's failure to negotiate on wages. The COB also reiterated its opposition to privatization, especially in the mining and oil sectors, and highlighted such problems as the taxation of unions, the decentralization of health care and education, the privatization of social security and the current conflicts of peasants (*campesinos*) and coca growers.

New laws

Paz Zamora on March 2 proclaimed a new Electoral Law designed to make elections more open; it established new rules for political parties and candidates and made the rulings of the National Electoral Court irreversible. Simultaneously a new Public Ministry Law was passed.

■ Last article p. 39187; reference article pp. R31-32.

BRAZIL

Replacement of Finance Minister

The Economy and Finance Minister Paulo Haddad, who had taken office only in mid-December 1992, resigned on March 1 and was replaced by Eliseu Resende. Haddad's resignation was offered after President Itamar Franco had publicly admonished him for failing to deal with spiralling inflation, currently running at approximately 30 per cent a month. Franco had also publicly rejected in late February Haddad's suggestion of a new currency to replace the cruzeiro.

Haddad had reportedly insisted that he needed more time to work on a stabilization plan which would require structural changes to avoid recourse to "shock" plans and price freezes which had failed under the two previous governments.

Haddad was also opposed to political interference in the Central Bank, whose governor Gustavo Loyola and entire board of directors also resigned on March 1, as did Antonio Barros de Castro, president of the National Development Bank, on March 5, accusing the government of "notorious incompetence". Loyola was replaced by Paulo Cesar Ximenes, a director of the Inter-American Development Bank (IDB).

The resignations drew vehement criticism of the government from the media and caused falls on financial markets. They also coincided with the arrival of an IMF mission to negotiate the governments adjustment strategy. This was necessary for the completion of an agreement to restructure the US\$44,000 million commercial debt.

Resende, 64, the head of the state-owned Electricity Company (ELETROBRÁS) and an engineer by training, held high office under the military regime which governed the country in the 1960s and 1970s. He was reportedly reluctant to accept the Economy and Finance portfolio but did so owing to his close friendship with Franco. He became the third occupant of the post since the onset of political crisis in September 1992 [for previous resignations see pp. 39079; 39233].

Resende announced on March 9 that he would not introduce a drastic anti-inflation package as had been widely feared. He still insisted on the "rigid control and rationalization of state companies", the sale of which would now be accelerated [see below]. Other undertakings included an "austere fiscal policy" and strict spending controls, tax reform, exchange rates at levels "adequate to promote exports" and the honouring of foreign debt commitments.

The announcement was intended to ease congressional worries about the conduct of the government, especially Resende's ability to direct economic policy free of interference from Franco.

Resende's objective of restoring business confidence, was immediately compromised, however, by the decision of the Senate on March 10 to approve a controversial tax on financial transactions (IPMF or cheque tax) expected to raise an extra US\$600,000,000 per month in revenues to help reduce the deficit. The measure had been passed by

the House of Representatives in January [see p. 39268].

Franco's continued intervention provoked increased political opposition. In contravention of a January agreement by both chambers of the Congress allowing individual states to set their own electricity prices, he decreed on March 25 a 30 per cent limit on immediate increases in electricity tariffs and imposed a limit of 5 per cent above inflation for the following five months. This was in response to the decision by the state of Mato Grosso do Sul on March 24 to raise electricity prices by 56 per cent.

Resumption of privatization programme

Franco's level of popular support was reduced by the resumption on March 19 of the privatization programme (suspended since December 1992—see p. 39233), when the government's stake in the Poliolefinas petrochemical company was sold at the minimum price of US\$86,100,000; legal objections delayed the sale by over five hours.

Stiffer opposition was expected in early April over the next privatization target, the Rio de Janeiro-based National Steel Company (CSN), regarded as a symbol of the country's industrial strength.

■ Last article pp. 39314-15; reference article pp. R32-33.

URUGUAY

Government crisis

According to local press sources on March 12, President Luis Alberto Lacalle Herrera had appointed Interior Minister Juan Andrés Ramírez to negotiate between factions in the ruling National Party (PN—*Blancos*) in a bid to stave off a major political crisis in his coalition government. This was in response to a communiqué issued by the Renewal and Victory (RV) faction on March 10 which confirmed general support for government "guidelines" but indicated that it considered itself free to criticize government "policies", especially on "future salary decisions".

The RV also stated that it had offered Lacalle the resignations of RV government members, most prominent of whom was Vice-President Gonzalo Aguirre Ramírez. The RV Foreign Minister Sergio Enrique Abreu Bonilla was exempted, however, because of his "remarkable qualities for the post".

The leader of the National Rocha Movement (MNR) faction of the PN, Senator Carlos Julio Pereira, had, on March 9, handed Lacalle the resignation of Transport and Public Works Minister Wilson Elso Goni because of MNR disagreements with the government's economic policies. Elso was replaced by Juan Carlos Raffo.

Fiscal measures

The announcement of a 17-point fiscal reform package on March 17 indicated that the government felt that it could survive the crisis. Chief among the measures were (i) public-sector salary increases from 7 to 9 per cent;

(ii) a monthly minimum salary for civil servants of 1,000 pesos (US\$270); (iii) the privatization of a number of government collateral services and the merging of others; (iv) a "retirement incentive" of a sum equal to at least 12 times their salaries for 7,000 civil servants who opted for voluntary redundancy; (v) a reduction in social security contributions to private companies who re-hired them; (vi) a reduction in the compulsory retirement age for state workers and state employment vacancies; (vii) a real reduction in combatant troops in the armed forces; (viii) the closure of some diplomatic and consular missions; (ix) a broad restructuring of the health service and the transfer of public hospitals to the autonomy of municipalities and to private societies.

The package was expected to be fiercely resisted by public-sector unions.

■ Last article p. 39234; reference article pp. R57-58.

ARGENTINA

Condor missile controversy

President Carlos Saúl Menem confirmed on March 10 that the government knew that the ultimate destination of Condor-2 long-range missile parts initially destined for Spain was the USA.

In early March a US Defence Department spokesperson had informed the Spanish EFE news agency that the parts had been unloaded from an Argentine merchant ship on Jan. 29 at the southern Spanish port of Rota; they had then been re-shipped to an undisclosed US port. US officials subsequently alleged that on inspection it had been found that the missile's computer guidance system was missing.

Foreign minister Guido di Tella was cited as saying on March 3 that the government had assured the USA that the missile construction project had been totally dismantled and that Argentina was now seeking to join the Missile Technology Control Regime (MTCR).

The main opposition Radical Civic Union (UCR) party strongly criticized the government's handling of the affair and described as an affront to national sovereignty an alleged US demand for the destruction of part of the Falda del Carmen Condor construction site in the western province of Cordoba, and its solid fuel blending facility.

New Defence Minister

Oscar Camilión was announced as the new Defence Minister on March 2 to succeed Antonio Ermán González on April 5. An unexpected choice, Camilión had served in 1976-81 as ambassador to Brazil and as Foreign Minister under the military juntas. González, who had also held at different times the Economy, Defence and Social Security portfolios, was reportedly to head the list of ruling Justicialist Party (PJ—the Peronists) candidates standing in the capital Buenos Aires in elections to half the seats in the Chamber of Deputies in September 1993.

Menem's re-election quest

Success in the September elections was seen as crucial to Menem's quest to reform the constitution in order to allow him to run in 1995 for a second consecutive term in office. In mid-March, 14 Peronist governors agreed to endorse Menem's re-election campaign which had been formally launched on Feb. 27 at the PJ congress.

The UCR had expressed its firm opposition despite Peronist attempts to portray the re-election issue as part of a package of progressive constitutional reforms.

In an interview in the Uruguayan newspaper *El Día* on Feb. 14, long rumoured to be harbouring his own presidential ambitions, claimed that he would be willing to work with Menem should the Constitution be amended and he won a second term.

Peronist trade unions within the main General Confederation of Labour (CGT), grouped as the '62 *Organizaciones*, had made their support conditional on the realization of such demands as the repeal of a decree linking pay rises to increases in productivity and the postponement of proposed reforms of rules governing some US\$3,500 million in social security funds managed by the unions. Both Menem and Economy Minister Domingo Cavallo had rejected such demands as prejudicial to economic recovery.

Economic performance

Trade figures released in early March, although subject to final revision, showed that earlier official figures had underestimated the decline in the 1992 balance of payments situation [see p. R28]. Compared with a surplus of US\$3,700 million in 1991, trade had recorded a deficit of US\$2,870 million.

■ Last article p. 39269; reference article pp. R28-29.

CARIBBEAN**CARICOM meetings**

The fourth inter-session meeting of the conference of heads of government of the Caribbean Community (CARICOM) was held in Roseau, capital of Dominica, on March 22-24. The final communiqué noted the major economic challenge posed to developing countries such as members of CARICOM by the accelerated trade liberalization in the wake of the signing of the North American Free Trade Agreement (NAFTA) [see pp. 38761; 39045-46; 39234] and the creation of the single European market [see p. 39290]. However, it welcomed the December European Community (EC) decision on banana exports as a one that most effectively balanced "the legitimate interests of all concerned parties" [see pp. R59; R131].

The prospect of multiparty talks in South Africa were also welcomed and it was agreed that in consultation with the Commonwealth, CARICOM governments would be prepared to remove trade and investment sanctions as soon as agreement was reached "by the multiparty group on the installation of transitional arrangements towards the establishment of a non-racial democracy", and that the

removal of financial sanctions would be considered "once the constitutional assembly was in place and the multiparty group called for the removal of all sanctions".

CARICOM-SIECA meeting

A March meeting held in Guatemala City between CARICOM officials and the Permanent Secretariat of the Central American Economic Integration Treaty (SIECA) stressed the need for closer co-operation for effective negotiations with multilateral lending agencies and the international community for development aid, and in dealings with such trade blocs as NAFTA.

40th common market meeting

The 40th CARICOM common market meeting, held on March 5 in Georgetown, capital of Guyana, noted with concern the decline by almost 3 per cent in intra-regional trade in 1992, caused primarily by a drop in the purchase of petroleum products. Guyana and

Jamaica in particular were now obtaining their oil from outside the region. However, nine of CARICOM's member states had agreed implemented legislation removing restrictions on regional imports; those remaining related mainly to primary agricultural products and not to manufactured goods.

■ Last article p. 39136; reference article p. R59.

IN BRIEF

LATIN AMERICA: It was reported on March 4 that Bolivia, Colombia, Ecuador and Venezuela, all member countries of the Andean Pact, had agreed terms for the establishment of a customs union from Jan. 1, 1994, overcoming previous differences over this matter. Peru, however, which had temporarily withdrawn as a full member of the Pact in August 1992 [see p. 39048], was not party to the agreement, aimed at creating a regional free-trade zone.

ASIA - PACIFIC**CHINA****NPC session**

The first session of the eighth National People's Council (NPC—the unicameral legislature) was held in Beijing on March 15-31 [see pp. 38861-62 for fifth session of seventh NPC held in March-April 1992].

Government work report

Premier Li Peng opened the session on March 15 with the delivery of his government work report. On the key issue of the economy, Li sounded a more reformist note than he had done in his much-criticized 1992 report [ibid].

Li projected an 8 per cent annual growth target, a third higher than his projection for 1992, but considerably less than the actual 12.8 per cent surge for that year [see also below]. Although Li's report was lacking in specifics, he appeared to hint at a future privatization drive when he suggested that "small" state enterprises could be sold or leased "by public bidding". He called for the decontrol of grain prices and the conversion of state agricultural subsidies into a "relief fund for natural disasters".

The NPC ratified Li's government work report on March 31.

Budget report

The budget report was presented by the Finance Minister, Liu Zhongli, on March 16.

The 1992 budget, crafted by Liu's predecessor Wang Bingqian [see p. 38862], had resulted in a record 90,300 million yuan deficit. Some analysts expressed surprise that the deficit was not greater, given the massive 12.8 per cent increase in gross national product in 1992, largely as a result of paramount leader Deng Xiaoping's politically motivated drive for double-digit growth. For 1993, Liu forecast a 84,800 million yuan deficit (revenue of 427,200 million yuan against expenditure of 512,000 million yuan). Despite warnings of "over-

heating" from some government economists, the 1993 budget proposed large expenditure increases. Capital construction, the largest single budget heading, was increased by 11 per cent over actual 1992 spending levels to 88,500 million yuan. Defence was increased by 12 per cent (to 42,500 million yuan), agriculture by 9 per cent (to 29,200 million yuan), education, science and health by 8 per cent (to 85,200 million yuan).

Domestic and foreign debt service payments were expected to decline by 24 per cent to 26,700 million yuan and by 2 per cent to 8,300 million yuan respectively. Subsidies to cover state enterprise losses were set to fall by 13 per cent (to 38,900 million yuan). However, receipts from state enterprises were budgeted to drop by a massive 62 per cent to only 8,400 million. This loss was offset by an anticipated 9 per cent rise in tax receipts to 358,900 million yuan.

Approval of constitutional amendments

The NPC on March 29 approved a number of amendments to the 1982 Constitution, which had initially been approved by the ruling Chinese Communist Party (CCP) at its 14th congress held in October 1992 [see p. 39127].

According to the *Far Eastern Economic Review* of March 11, the amended Constitution proclaimed in the preamble that China remained in the "primary stage of socialism" in which quasi-capitalist and foreign-invested firms flourished alongside state enterprises in the interest of economic growth. The document was amended to substitute the phrase "socialist market economy" for "economic planning" and assigned to the state the role of "economic legislation [and] macro-control" rather than "overall balancing" of the economy. The amended Constitution also enshrined the household responsibility system of family farm plots as the principal model for rural development.

Election of Jiang Zemin as President

Jiang Zemin, the CCP general secretary, was elected as state President by the NPC on

New Chinese State Council

Li Peng Premier of the State Council
 Zhu Rongji Vice-Premier of State Council
 *Zou Jiahua Vice-Premier of State Council
 *Qian Qichen Vice-Premier of State Council; Minister of Foreign Affairs
 *Li Lanqing Vice-Premier of State Council
 *Li Tieying State Councillor; Minister of State Commission for Economic Restructuring
 *Chi Haotian State Councillor; National Defence
 Song Jian State Councillor; Minister of State Science and Technology Commission
 Li Guixian State Councillor; Governor of the People's Bank of China
 Chen Junsheng State Councillor
 *Ismail Amat State Councillor; Minister of State Nationalities Affairs Commission
 *Peng Peiyun State Councillor; Minister of State Family Planning Commission
 *Luo Gan State Councillor; Secretary-General of the State Council
 *Chen Jinhua Minister of State Planning Commission
 *Wang Zhongyu Minister of State Economic Trade Commission
 *Zhu Kaixuan Minister of State Education Commission
 Ding Henggao Minister of Commission of Science, Technology and Industry for National Defence
 *Tao Siju Public Security
 Jia Chunwang State Security

*Cao Qingze Supervision
 *Doje Cering Civil Affairs
 Liu Zhongli Finance
 *Xiao Yang Justice
 *Song Defu Personnel
 *Li Boyong Labour
 *Shi Dazhen Power Industry
 *Wang Senhao Coal Industry
 *Hu Qili Electronics Industry
 Zhu Xun Geology and Mineral Resources
 Hou Jie Construction
 Han Zhubin Railways
 Huang Zhendong Communications
 *Liu Qi Metallurgical Industry
 *He Guangyuan Machine-Building Industry
 Gu Xiulian Chemical Industry
 *Wu Jichuan Posts and Telecommunications
 *Niu Maosheng Water Resources
 *Liu Jiang Agriculture
 *Xu Youfang Forestry
 *Zhang Haoruo Internal Trade
 *Wu Yi Foreign Trade and Economic Co-operation
 *Liu Zhongde Culture
 Ai Zhisheng Radio, Film and Television
 Chen Minzhong Public Health
 Wu Shaozu State Physical Culture and Sports Commission
 Lu Peijian Auditor-General of the Auditing Administration
 *New appointment.
 *Altered responsibilities.

March 27. Jiang replaced Yang Shangkun who had been elected in 1988 [see p. 36102]. Jiang's election as President appeared designed to bolster his authority as the chosen successor of paramount leader, Deng Xiaoping.

Also on March 27 Rong Yiren, hitherto chair of the China International Trust and Investment Corporation, was elected as the new Vice-President, replacing Wang Zhen who had died on March 12.

Election of new State Council - Other appointments

Li Peng was re-elected as Premier of the State Council by the NPC on March 28. Li had first been appointed to the post in November 1987.

The NPC approved a restructuring of the State Council on March 29. This was part of a wider bureaucratic overhaul announced by State Council Secretary-General Luo Gan on March 16.

On March 27 Qiao Shi, a member of the standing committee of the CCP politburo, replaced Wan Li as chair of the NPC Standing Committee (NPCSC). Cao Zhi was elected as NPCSC secretary-general in place of Peng Chong. In addition 19 NPCSC vice-chairs and 134 members were elected. The new members included a number of outgoing ministers.

The NPC elected the state Central Military Commission (NPC) on March 27-28. Membership of the new CMC mirrored exactly that of the more power-

ful party CMC, chaired by Jiang Zemin, which had been elected at the party's 14th Congress in October 1992 [see p. 39127].

CPPCC session

The first session of the eighth national committee of the Chinese People's Political Consultative Conference (CPPCC—the government's main opinion-gathering forum) was held in Beijing on March 15-27. Li Ruihuan, a member of the CCP politburo standing committee, was elected as CPPCC chair.

■ Last article p. 39317; reference article pp. R65-66.

TAIWAN

New Premier's first policy address

Lien Chan, the new Premier appointed in February [see p. 39316], delivered his first policy address to the Legislative Yuan on March 2.

In his speech Lien said that his government's top priority was "to accelerate Taiwan's modernization". He defined modernization as "democratic politics, economic prosperity, strong defence capabilities, [a] harmonious society and a balance in spiritual and material life". He called on China to discard the "outdated, unrealistic 'one country, two systems' overture" and "noted that the Republic of China [Taiwan] government would never give up its goal of reunifying China under freedom and democracy".

New KMT secretary-general and Taiwan Governor

Hsu Shui-teh was sworn in as the new secretary-general of the ruling Kuomintang (KMT) central committee on March 13.

Hsu, hitherto representative at the Tokyo office of the Association of East Asian Relations and a former Interior Minister, replaced James Soong Chu-yu. Soong had tendered his resignation in the aftermath of the KMT's poor performance in the December 1992 elections to the Legislative Yuan [see p. 39236]. On March 16 Soong was formally confirmed as Governor of Taiwan Province, a post previously held by Premier Lien Chan.

Acquittal of leading dissident

George Chang, chairman of the US-based World United Formosans for Independence, was acquitted of sedition charges by the Taiwan High Court on March 20.

Chang had in June 1992 been sentenced to five years in prison [see p. 38961], but had been released on medical bail in October. He subsequently appealed to the Supreme Court, claiming that his arrest and trial had been politically motivated. The Court ordered a retrial in the High Court, which, in reversing its previous decision, concluded that there was insufficient evidence to prove that Chang was involved in a 1976 letter-bomb attack against the Governor of Taiwan Province or had advocated the use of force either to sabotage the government or to press for Taiwanese independence.

Balance-of-payments deficit

Taiwan's central bank, the Central Bank of China, released figures on March 4 which showed that in 1992 the country suffered its first balance-of-payments current-account deficit in 12 years.

The balance of payments slipped into a deficit of US\$639,000,000 in 1992, from a surplus of US\$7,330 million in 1991. According to analysts, payments for foreign weapons purchases in late 1992 was one reason for the deficit. However, even excluding arms purchases, the balance of payments was under serious pressure in 1992 as a result of soaring imports, driven by a consumer-spending boom and government infrastructure projects.

■ Last article pp. 39316-17; reference article pp. R82-83.

HONG KONG

Publication of Governor's reform package

Hong Kong Governor Chris Patten finally gazetted his political reform proposals to the Legislative Council (Legco) on March 12. For weeks Patten had refrained from publishing the bill in the hope that China might enter into negotiations over the package [see p. 39317]. The Governor had taken the decision to gazette the bill only a few hours after the collapse of a month-long series of "talks about talks" between the United Kingdom and China. Reaction within Legco to the move divided largely along factional lines; liberal members generally supported Patten's stand while conservative, pro-Chinese members reacted with disappointment. In a meeting on

March 23 the Executive Council (Exco) agreed to delay the formal introduction of the reform package. According to the *Far Eastern Economic Review* of April 1, the delay might "serve as a cooling-off period and pave the way for a resumption of diplomatic contacts".

China reacted angrily to the publication of the bill. During a speech to the opening session of the National People's Congress in Beijing on March 15, a visibly angry Chinese Premier Li Peng said that the Patten's reform package was an attempt by Hong Kong and the UK "to create disorder and impede the smooth transfer of power". He said that the bill had been "perfidiously" proposed in violation of all the relevant Sino-British bilateral agreements.

In a directly personal attack on Patten delivered on March 17 Lu Ping, head of the Chinese State Council's Hong Kong and Macao Affairs Office, told reporters in Beijing that the Governor's actions had "shut the door" on the possibility of talks. Lu also warned that China would begin preparations to create its own rival shadow government (the so-called "second stove" or "kitchen") in Hong Kong. On March 18, Li Lanqing, China's Minister for Foreign Economic Relations and Trade, warned that the UK's economic ties with China would "inevitably be affected" if Patten "sticks to his present manner of doing things".

The Shanghai-based *Liberation Daily* published a commentary on March 23 calling on the UK to recall Patten because he "has not only become an obstacle to the two countries' efforts to reach an agreement, a trouble-maker in Hong Kong's smooth transition, but also a sinner who has destroyed Britain's international reputation".

■ Last article p. 39317; reference article p. R67.

NORTH-SOUTH KOREA

Deterioration of relations - North Korean withdrawal from NPT

Relations between North and South Korea deteriorated sharply during March as the North continued to defy international opinion by refusing to allow full inspection of its nuclear industry [see p. 39317], and the South went ahead with its large annual joint military exercises with the USA, despite bitter denunciation of the move by the North.

Holding of Team Spirit military exercises - North Korean declaration of "semi-state of war".

The "Team Spirit 93" South Korean-US joint military exercises were held on March 9-18, and involved some 120,000 troops. The US Air Force's B1-B strategic bomber, the Stealth bomber and the F-15E were all believed to have been involved in the manoeuvres for the first time. The North Korean government denounced the exercises, which were among the largest joint military manoeuvres in the world, as an act of gross provocation and as a preparation for nuclear war on the Korean peninsula.

Although the Team Spirit exercises had been held annually since 1976, they had been cancelled in 1992 as a goodwill gesture towards the improving relationship between the two Korean states. The impasse in inter-Korean relations which had characterized the latter half of 1992, together with the North's failure to comply fully with demands for international inspection of its nuclear facilities, however, were cited as reasons for the South's decision to go ahead with Team Spirit 93.

The government of North Korea responded to Team Spirit 93 by declaring "a semi-state of war" from March 9. The move, in the form of an Order of the Supreme Commander of the Korean People's Army, Kim Jong Il (the son and designated successor of the North's aged President Kim Il Sung), was issued on March 8. The order was couched as a direct response to the decision of "the US imperialists and the South Korean puppet clique" to go ahead with Team Spirit 93, an exercise denounced as aiming to wage "a surprise pre-emptive strike on the northern half of our Republic". More than 100,000 North Koreans were reported to have attended a rally in Pyongyang in March 9 to demonstrate their support for the "semi-war" declaration.

Withdrawal of North Korea from Nuclear Non-Proliferation Treaty

The tension was increased further on March 12 when the North Korean government announced its withdrawal from the Nuclear Non-Proliferation Treaty (NPT). The move was portrayed as a "defensive step" designed to "defend the supreme interest of our country". The holding of Team Spirit 93 was given as one reason for the decision, as was the recent decision of the secretariat of the International Atomic Energy Authority (IAEA) to impose special inspection requirements on North Korea [see pp. 39317-18].

Having conducted six inspections of North Korea's nuclear facilities since the beginning of 1992, the IAEA had imposed the special inspection requirement on Feb. 25 in an attempt to gain access to two waste storage buildings in the country's large Yongbyon nuclear complex. Notwithstanding North Korean claims that the two sites were non-nuclear military installations which should be of no concern of the IAEA, it was widely believed that the buildings contained undisclosed quantities of plutonium. The IAEA had given the North Korean authorities a deadline of March 25 to admit inspectors, a decision described by the North as "an infringement on the sovereignty of our republic, interference in our internal affairs, and a hostile act aimed at strangling our socialism".

News of the North's withdrawal from the NPT led to an emergency meeting of the South Korean Cabinet. A statement by the Foreign Ministry expressed concern, and described the withdrawal as "an act of challenge to the global trend of non-proliferation of nuclear weapons and a serious threat to peace and stability". It was also stated: "The North's professed reasons for pulling out of the treaty convince no one. This only heightens the suspicion that it is developing nuclear arms."

Internationally, the North's withdrawal caused consternation both in the West and among neighbouring Asian states. Numerous governments, including those of Germany, Japan, the United Kingdom and the USA, urged the government of Kim Il Sung to reconsider its decision. US Secretary of State Warren Christopher threatened the possibility of international sanctions against North Korea, while the IAEA—which was expected to transfer the matter to the UN Security Council following the expiry of its March 25 deadline—stated that it would hold an emergency session to formulate its response. Even China, the only remaining significant ally of North Korea, issued a mild condemnation of the move, and expressed the hope that the matter would be "settled properly through consultations in a manner conducive to the universality of the NPT".

The North Korean government dismissed the threat of sanctions, and promised that any international action would be answered "with strong defensive counter-measures". On March 15 the tension was increased further when Ri Tcheul, the North Korean permanent representative at the UN, suggested that a "hair trigger situation" had been created "which could lead to an outbreak of war at any time"; such a war, suggested Ri, "cannot but be an all-out war". It was also reported that foreign diplomats had been ordered out of Pyongyang, that no visas were being granted to foreign visitors and that a dusk-to-dawn black-out had been imposed.

South Korean President Kim Young Sam appealed for caution in responding to the North's actions, emphasizing the importance of avoiding any further isolation of North Korea. While suspending any economic co-operation with the North, on March 15 Kim stressed the importance of achieving a diplomatic rather than a military solution to the problem, and appealed to China and Russia to use their influence to persuade the government of the North to reverse its decision to withdraw from the NPT before the matter reached the Security Council.

Extension of IAEA deadline - Lifting of state of semi-war

At an emergency session of the board of governors of the IAEA on March 18, it was announced that the deadline for the admission of inspectors had been extended from March 25 to March 31. A North Korean statement dismissed the move as irrelevant, however, and reiterated the North's determination to resist all international pressure.

There was some relaxation in the tension on March 24 when the North announced that it had lifted the state of semi-war following the conclusion of Team Spirit 93. The decision to withdraw from the NPT, however, remained unchanged and there were reports of large demonstrations throughout the country in support of the rejection of international nuclear controls.

■ Last article pp. 39317-18; reference article pp. R73-74.

SOUTH KOREA

Progress of new government - Election of opposition leader

Cabinet changes

Within two weeks of forming his new administration [see p. 39318] President Kim Young Sam was forced to undertake a partial Cabinet reshuffle on March 8. The reshuffle followed press revelations concerning the conduct of individual members of the government and was in accordance with Kim's stated aim of combating corruption.

Park Yang Shil, one of the three women in Kim's Cabinet, was dismissed as Minister of Health and Social Affairs amidst allegations that she had engaged in property speculation and had evaded income tax. She was replaced by another woman, Song Jeong Sook, a newspaper editorial writer. Justice Minister Park Hee Tae was dismissed for having used a foreigners' admission quota to secure a university place for his US-born daughter, a move which, while not strictly illegal, was considered to be unethical. He was replaced by Kim Doo Hee, the Prosecutor General. Huh Jai Young was dismissed as Construction Minister after his property holdings were found to be larger than could have been expected for a lifelong civil servant. He was replaced by Koh Byung Woo, the president of the Korean Stock Exchange. Kim Sang Chul, the Mayor of Seoul, was also dismissed after only six days in office amidst reports of a dubious property deal. It was alleged that, seven years earlier, he had bought rice paddies and had illegally converted them into land for housing, thereby reaping a profit of some 1,700,000 won (US\$1.00=792.252 won as at March 8, 1993). Kim was replaced by Lee Won Jong.

The dismissals were particularly embarrassing for the new President as they followed the withdrawal of Kim's nomination of Chun Byung Min as his senior secretary for policy in late February in similar circumstances. Only two days after Chun's nomination it had been revealed that his father-in-law had assassinated one of the country's national leaders in 1945.

Relationship between President and the conservative establishment

There was considerable speculation over the source of the information relating to the ethics and past behaviour of members of the new government. It was generally believed that much of it had been leaked to the press by conservatives (members of the faction of the ruling Democratic Liberal Party—DLP—which had evolved from the Democratic Justice Party—DJP), or from members of the military establishment, particularly those associated with the Agency for National Security Planning (NSP), who were opposed to the new President's commitment to democratic reform. Earlier in the month Kim had ordered the dismissal of 200 officials from the NSP in an undisguised attempt to curb the power of an institution which had played an integral role in suppressing democratic dissent during the years of military rule prior to 1987. This was followed on March 8 by a

reshuffle of senior military commanders which included the dismissal of Gen. Kim Jin Young as Army Chief-of-Staff, and of Lt.-Gen. Suh Wan Soo as head of the Defence Security Command, the country's leading military intelligence agency. The dismissal of the two, both of whom were close associates of Chun Doo Hwan (who had become President in 1980 following a military coup of 1979), was seen as a clear attempt to consolidate civilian control over the armed forces.

In a further break with the past, a former head of the NSP (then known as the Korean Central Intelligence Agency), Chang Se Dong, was arrested on March 9 and charged with having acted illegally against the opposition. It was alleged that Chang had organized the disruption of the 1987 inauguration of the Unification Democratic Party, the leadership of which had included Kim Young Sam. It was also announced on March 10 that the NSP would halt all political surveillance activities and would dismantle its extensive domestic network used for political intelligence-gathering. While the agency would continue to monitor subversive communist activities, a spokesperson for the new NSP head, Kim Deok, made it clear that the agency would divert its resources to overseas operations including the investigation of drug-trafficking and smuggling.

The decisiveness with which President Kim sought to impose his authority and the speed of his reform programme surprised many observers. In addition to assailing some of the most reactionary institutions of the South Korean state, he also continued to pursue his anti-corruption election campaign theme by announcing that the government would introduce a "real-name" financial system under which people would no longer be able to hide funds under false names. Currently some 10 per cent of shares on the stock exchange and 5 per cent of bank accounts were believed to be registered under false names, a situation which was universally recognized as facilitating bribery and corruption. In announcing a 100-day programme on March 19, intended to stimulate the economy and remove bureaucratic controls, however, Kim suggested that the real name provision would not be introduced in the immediate future. Nevertheless, his commitment to fundamental reform, together with shrewd symbolic acts such as the removal of security barriers around the presidential Blue House and the National Assembly building, meant that Kim's public approval rating was running in excess of 70 per cent by the end of March.

Announcement of amnesty

In a move to celebrate his inauguration as President, Kim announced an amnesty on March 6 for 41,886 people, 5,823 of whom had been convicted of public-security-related crimes. The amnesty, the largest of its kind ever announced in South Korea, commuted prison terms, granted parole and restored civil rights. The government also decided to expunge the criminal records of some 5,000,000 people convicted of minor crimes.

Among the 2,132 people released from prison was the veteran dissident the Rev. Moon Ik Hwan, a Presbyterian minister imprisoned in October 1989 for having made an unauthorized visit to North Korea [see pp. 36590; 36975].

Replacement of Central Bank Governor

The Governor of the central bank (Bank of Korea), Cho Soon, resigned on March 12 despite having served only one year of his four-year term. On the following day he was replaced by the head of the bank's Office of Bank Supervision, Kim Myung Ko.

Although no official reason was given for the change, it was widely believed that Cho had been removed after a disagreement with the new government over monetary policy. A known advocate of freeing the Bank of Korea from political control, Cho had been the architect of the tight monetary policy which had sought to cool the overheated economy and which had brought inflation down from 9.3 per cent per annum in 1991 to 4.5 per cent per annum in 1992. His policy had been widely criticized for causing economic recession, bankruptcies and falling profits, however, and it was known that the new administration of Kim Young Sam was committed to stimulative measures, including a reduction in interest rates, as part of a wider package of financial de-regulation and economic reform.

Election of opposition leader

The Democratic Party, the largest party of opposition, on March 12 elected Lee Ki Taek as its leader. Lee succeeded the veteran opposition figure Kim Dae Jung, who had retired from politics following his defeat in the December 1992 presidential elections [see pp. 39234-5].

Lee had been a member of Kim Young Sam's former opposition Reunification Democratic Party (RDP) until it had merged with the ruling DJP and another, smaller, smaller opposition group in order to form the DLP. Preferring to remain in opposition, Lee had in 1991 joined the Democratic Party which currently controlled 97 of the 299 seats in the National Assembly.

■ Last article p. 39318; reference article pp. R74-75.

JAPAN

Scandal developments

Arrest of Shin Kanemaru

Shin Kanemaru, once the most powerful man within the ruling Liberal Democratic Party (LDP), was arrested on March 6, together with his former secretary, Masahisa Haibara. The arrest followed allegations that Kanemaru had evaded income tax by concealing income of up to 800 million yen since 1987 in the form of undisclosed political donations (US\$1.00=116.569 yen as at March 8, 1993).

As leader of the dominant Takeshita faction within the ruling party, Kanemaru, 78, had been the "god-father" of the LDP until late 1992 when he had retired from politics after pleading guilty to having accepted undeclared political donations from the Tokyo Sagawa Kyubin parcel delivery firm [see pp. 39140-41]. Although the most prominent victim of the Sagawa Kyubin scandal to date, he had received

only a small fine for his role in the affair. Kanemaru's lenient treatment by the Tokyo State Prosecutor's Office—particularly the fact that he was allowed to plead guilty to a misdemeanour charge and was not even required to attend a police station for questioning—led to widespread public criticism.

Kanemaru's arrest in March followed an investigation by the Tokyo District Prosecutor's Office and the Tokyo Regional Taxation Bureau, two offices which were subordinate, respectively, to the Ministries of Justice and Finance, and which were not renowned for their tendency to collaborate. The case was also surprising because never before had either agency attempted to use tax laws to pursue a politician's abuse of political funds. Other than in cases of clear bribery, the main weapon used against politicians in the past had been the relatively feeble Political Funds Control Law, under which the maximum penalty for accepting illegal contributions was a fine of 200,000 yen.

Following their arrest, Kanemaru and Haibara were imprisoned pending further investigation. In the ensuing days the authorities searched Kanemaru's home, office and other locations and uncovered hidden assets worth an estimated 7,000 million yen. These included discount bonds valued at between 2,800 million and 5,000 million yen, and a collection of gold bullion worth 1,000 million yen. The discovery of liquid assets in the form of items which could be purchased anonymously and which did not require registration with the authorities, heightened speculation that Kanemaru had transferred undisclosed political contributions into such forms in order to avoid income tax liabilities.

Kanemaru was indicted on March 13 for having evaded 118 million yen in income tax in fiscal 1987. It was expected that further charges, relating to subsequent years, would follow. Haibara was charged with having evaded 26 million yen in income tax on undeclared income of at least 50,000,000 yen in 1987. As in Kanemaru's case, the charge was formulated in order to avoid the March 14 deadline (arising from the statute of limitations) relating to the 1987 offences, and further indictments were expected to follow. Kanemaru was released on March 29 after paying bail of 300 million yen.

Proposals for political reform - Passage of budget through lower house

Prime Minister Kiichi Miyazawa, whose election as LDP leader in October 1991 had been largely due to Kanemaru's support, reacted to the indictment by apologizing to the country for the state of Japan's political ethics. In a public statement he said that it was "truly regrettable that public distrust for politics is worsening due to consecutive scandals", and that he wished to "extend my sincere apologies to the public".

Although some members of the LDP attempted to characterize Kanemaru's conduct as a lapse in personal standards, the case intensified demands, within both the ruling party and the opposition, for fundamental political reform to reduce the influence of money within the Japan's political sys-

tem. In early March, prior to Kanemaru's arrest, the government had unveiled two pieces of draft legislation which were designed to alter the electoral system by replacing multi-member constituencies (a feature which necessitated LDP candidates to compete with each other and, therefore, was seen as encouraging the financial influence of the party's factions) with single-member ones. Two further bills were also formulated which sought to limit to two the number of fund-raising organizations which each politician could control (the current limits on the size of donations were widely evaded by splitting large contributions between many separate fund-raising organizations), and to provide public subsidies to cover the costs of fighting a political campaign.

The arrest of Kanemaru and Haibara occurred within hours of the House of Representatives (the lower chamber of the Diet) having passed the 72,359,000 million yen budget for fiscal 1993. It was widely believed that the arrests had been delayed in order to avoid the possibility of the budget being delayed by opposition demands for an immediate debate on Kanemaru's detention.

Supreme Court ruling on textbooks

The Supreme Court on March 16 ended a 30-year legal struggle over the issue of the Education Ministry's practice of screening and censoring the content of school textbooks by concluding that such interference did not conflict with academic freedom and, therefore, was not unconstitutional.

The ruling was made in the case of a suit filed in 1965 by a historian, Saburo Ienaga, and supported a 1986 lower court decision in favour of the Ministry. The issue was highly sensitive because Japan had frequently been accused by neighbouring countries—which had been subjected to military occupation in the period prior to 1945—of having consistently sought to conceal the true nature of Japanese rule and the atrocities committed by members of the imperial forces. The issue was also sensitive because in recent years the Ministry of Education had encouraged the use of the national flag and anthem (neither of which had any official standing under the US-inspired post-war Constitution) in schools. The rehabilitation of symbols linked with the pre-1945 period led to accusations, both at home and abroad, concerning the alleged existence of incipient militarism within Japan.

Resumption of death penalty

It was widely believed that Japan had ended its three-year moratorium on executions on March 26, when at least three, and possibly more than five, condemned prisoners were hanged in Osaka, Sendai and possibly Fukuoka and Tokyo prisons. The men had been sentenced to death for murders committed between 15 and 23 years previously.

The precise number of those executed was uncertain because of the practice of the Justice Ministry not to make an official acknowledgement of the implementation of death sentences. The unofficial moratorium had begun in November 1989 and had been maintained by successive Justice Ministers. In December 1992, however, Masaharu Gotoda, a supporter of the death penalty, had been appointed as Justice Minister.

■ Last article p. 39319; reference article pp. R71-72.

KAZAKHSTAN

1993 budget - Privatization programme

Limited details of the government's 1993 budget were reported by Radio Moscow on March 18. Notably absent were estimates of projected revenues and expenditures, although the budget deficit was reported to total 182,893.8 million roubles. A state monopoly on trade in alcohol and tobacco was introduced, and an oil levy was imposed amounting to 20 per cent of the difference between the export price of oil and the price within the republic.

According to an earlier report on March 10, defence spending had been set at 69,326,367,000 roubles.

Privatization programme

The government's national privatization programme for 1993-95 was announced on March 10. The programme, approved by the government in February, envisaged the sale of most state-owned enterprises with the exception of resources such as water supply. Foreigners would be permitted to buy Kazakh assets after obtaining a state licence.

A presidential decree issued on March 11 envisaged the privatization of agricultural enterprises by the end of 1995.

New rules on hard currency disposal

New rules on the disposal of hard currency which came into force on March 3 required all businesses trading abroad to pay customs duties in hard currency at a level set in accordance with the value of the goods despatched. On receiving proceeds, exporters would be obliged to sell 30 per cent to the state (20 per cent to the National State Bank at the set rouble rate and 10 per cent on the republic's currency market through authorized banks).

Granting of most-favoured-nation status by USA

The USA on March 2 granted Kazakhstan most-favoured-nation (MFN) status after bilateral trade talks in Washington aimed at normalizing trade relations between the two countries.

Agreements with Russia

An agreement extending economic co-operation was signed with Russia in Moscow on March 15.

A seven-year agreement with Russia on co-operation in uranium production had been concluded in Moscow on Feb. 24.

Visit by Mongolian Foreign Minister

Mongolia's Foreign Minister Tserenpilyn Gombosuren held talks on March 30 with President Nursultan Nazarbayev and other senior officials on "immigration and settlement problems" of Kazakhs in Mongolia.

■ Last article pp. 39319-20; reference article p. R72.

KIRGIZSTAN

Dismissal of Agriculture Minister

President Askar Akayev dismissed the Agriculture Minister Karypbek Asanov on March 2 after accusing him of sabotaging agricultural reform and endangering the spring sowing campaign. It was the second dismissal of a Cabinet minister at odds with Akayev since February [see p. 39320].

It was reported on March 18 that an official commission would investigate charges against Vice-President Feliks Akulov alleging that he had engaged in illegal business dealings.

■ Last article p. 39320; reference article pp. R72-73.

TAJIKISTAN

Deaths of militia leaders - Arrival of CIS forces - Renewed fighting

The government on March 30 imposed a state of emergency in the southern town of Kurgan-Tyube and the neighbouring province of Khatlon following the deaths on March 29 of Sangak Safarov and Faizali Saidov, leader and field commander, respectively, of the pro-government Tajik People's Front.

The precise circumstances of the deaths, which occurred in Kurgan Tyube, were uncertain, with conflicting reports suggesting that the two men might have been killed either in a car crash or in the course of a brawl with each other. A Tajik embassy official in Moscow was quoted on March 30 as saying that Safarov and Saidov had argued bitterly over the aims of their movement.

Arrival of CIS forces

The first battalion of peacekeeping forces from Kirgizstan arrived on March 3 in accordance with an agreement concluded at a summit meeting of the Commonwealth of Independent States (CIS) in Minsk in January [see pp. 39282-83; 39272; 39320]. The troops, stationed in Gorno-Badakhshan on the Afghan border, were ordered to prevent border violations by anti-government groups operating from Afghanistan.

On March 18 the Gorno-Badakhshan legislative council asserted its right to be consulted in the deployment of troops in the region.

Renewed fighting

The Interior Minister Yakub Salimov said on March 6 that the government had finally recaptured Romit Gorge, east of the capital, Dushanbe, from opposition forces. In February government troops had launched a major offensive in the region, gaining control of key opposition strongholds [see p. 39320].

Refugee crisis

The threat of starvation facing thousands of refugees, 15 of whom had died, receded on March 24. Earlier the UN High Commissioner

for Refugees (UNHCR) had warned of a major disaster following an abortive government plan to resettle 8,000 refugees. The refugees, who were taken from Dushanbe to their former homes in Shartuz and Gabodian on the Afghan border, had been refused entry by townspeople allegedly on grounds of political differences.

On March 12 officials claimed that 300,000 refugees displaced by the civil war had returned to their homes.

Rakhmanov's visit to China

President Imamoli Rakhmanov held talks with Chinese leaders during his visit on March 7-11. On March 8 China announced the allocation of commodity credit worth 30,000,000 yuan and humanitarian aid totalling 3,000,000 yuan to Tajikistan (US\$1.00=5.7438 yuan as at March 8, 1993). Several agreements covering bilateral trade, tourism, technical co-operation and airline services between the two countries were also concluded.

Oil agreement with Russia

Prime Minister Abdumalik Abdullojanov announced on March 8 that Tajikistan would receive between 2,500,000 tonnes and 3,000,000 tonnes of oil a year under a recently concluded agreement with Russia.

■ Last article p. 39320; reference article pp. R83-84.

AFGHANISTAN

Signing of peace accord

President Burhanuddin Rabbani and his main rival, Gulbuddin Hekmatyar, signed a peace accord in early March. The signing of the accord followed months of intense fighting in and around Kabul between Rabbani's and Hekmatyar's fighters and other *mujaheddin* factions, principally the Iranian-backed *Hezb-i-Wahdat* [see pp. 39271; 39321]. The accord was brokered by Pakistan but also had the active support of Iran and Saudi Arabia. The fact that Iran and Saudi Arabia were joint sponsors and guarantors of the accord had great regional implications. In the past the two countries had mounted what was in effect a proxy war in Afghanistan through their rival *mujaheddin* militias.

The accord was signed in Islamabad on March 7 by President Rabbani (leader of the *Jamiat-i-Islami*), Hekmatyar (leader of one faction of the *Hezb-i-Islami*) and the following six *mujaheddin* leaders: Mohammad Nabi Mohammadi (*Harakat-i-Inqilab-i-Islami*); Seghbatullah Mujjadeddi (*Jebha-i-Nejat-i-Melli*); Ahmed Shah Ahmadzay (*Ittehad-i-Islami*); Pir Sayed Ahmed Gailani (*Mahaz-i-Melli-i-Islami*); and Ayatollah Fazl (*Hezb-i-Wahdat*). The negotiations prior to the signing of the accord were boycotted by the *Hezb-i-Islami* faction led by Mohammad Yunus Khales.

Terms of accord

The accord provided for Rabbani to remain as President for the 18 months from Dec. 30, 1992, the date on which he had been controversially elected by a constituent assembly

for a two-year term [see p. 39238]. Hekmatyar's *Hezb-i-Islami* faction was given the right to appoint the Prime Minister, who in turn had the power to select a Cabinet. The Prime Minister would be advised by a defence and an economic committee. The 16-member defence committee (composed of two nominees from each of the eight groups which had signed the accord) would have the task of raising a national army and supervising the evacuation of all heavy weaponry from within and around Kabul.

An election commission would be established to supervise elections to a constituent assembly to be held by November 1993. Once elected, the assembly would be required to approve a new constitution and to hold a general election by mid-1994.

The accord also called for a permanent ceasefire, to be monitored by the Organization of the Islamic Conference (OIC). However, during the days following the signing of the accord there were reports of heavy clashes between government and *Hezb-i-Wahdat* fighters in western Kabul.

Appointment of Hekmatyar as Prime Minister - Dispute over Masud - Position of Dostam

Hekmatyar formally accepted the vacant post of Prime Minister on March 8. A dispute arose immediately, however, over the continued inclusion of the Defence Minister, Ahmad Shah Masud, in Hekmatyar's Cabinet.

Hekmatyar insisted that Masud, his great rival and Rabbani's military commander, should not be re-appointed to the Cabinet. Rabbani demanded that Masud remain in post. Negotiations on the issue continued throughout March but no final decision was reached, and by the end of the month Hekmatyar had failed to appoint a new Cabinet.

Many commentators suggested that Masud's isolation from the new power structure in Kabul would only accelerate the collapse of the accord. It was also noted that the accord totally excluded any formal recognition for Gen. Abdul Rashid Dostam, leader of the (northern-based) ethnic Uzbek militia and the most powerful military leader in the country. Dostam's representative to the Islamabad meeting in early March had reportedly been denied entry.

■ Last article p. 39321; reference article p. R60.

PAKISTAN

Emerging crisis

A series of Cabinet resignations in late March fuelled reports of an emerging crisis centring on differences between Prime Minister Mian Mohammed Nawaz Sharif and President Ghulam Ishaq Khan. The resignations came amid attempts by Sharif to reduce the President's executive powers by abolishing the Eighth Amendment to the Constitution promulgated in 1985 by the then President Zia ul-Haq. The amendment, establishing the primacy of the president over the prime minister, had twice been invoked to dismiss elected governments in May 1988 and August 1990 [see pp. 36218; 37652].

Divisions within the government had emerged on March 28 after the Planning and Development Minister Hamid Nasir Chattha and the Urban Affairs Minister Anwar Saifullah Khan (Khan's son-in-law) announced their resignations, saying that they were opposed to Sharif's nomination as president of the Muslim League (confirmed on March 27), following the death of M. K. Junejo [see below]. One of Sharif's senior advisers with Cabinet rank, Asad Ali Junejo, resigned at the same time. On March 31 the Minister of State for *Zakat* (Islamic tithes), Haji Gulsher Khan also left the government after declaring support for the President in his differences with Sharif, and saying that he would back Khan if he were to seek a second term as President.

Reports suggested that Khan had lobbied to win support for his re-election as President, and that his appointment of Gen. Abdul Waheed Kakar, who was said to oppose any dilution of the President's powers, as Army Chief of Staff in January had been a decisive move this direction [see p. 39271].

The Supreme Court on March 29 dismissed contempt of court charges brought against a former Army Chief of Staff, Gen. Mirza Aslam Beg [see p. 39322].

Acceptance of IAEA controls

An agreement seeking International Atomic Energy Agency (IAEA) safeguards on the 300-megawatt nuclear power plant financed by China [see pp. 38684; 38726; 38968], was signed in Vienna on March 1.

Court ruling on Gilgit and Baltistan

The Azad Kashmir High Court on March 8 ruled that the northern areas of Gilgit and Baltistan should fall under the jurisdiction of Azad Kashmir, and be accorded full legislative and political representation. Both areas had hitherto been administered by the central legislature where neither were represented.

The government on March 21 announced plans to create an anti-terrorism unit under the control of the Interior Ministry. In January the USA had threatened to declare Pakistan a "terrorist state" over its alleged support of Kashmiri and Sikh militants in India [see p. 39271].

Sharif's UK visit

Sharif held talks on bilateral trade relations and human rights violations by Indian forces in Kashmir with his UK counterpart, John Major, during a private visit to London on March 29.

Delay in French submarine sale

Problems over financing threatened to delay the purchase of three French Agosta 90 submarines under an agreement reached in principle in January 1992 [see p. 38726]. The delay, reported in mid-March, was understood to have arisen after the French Finance Ministry expressed doubts over Pakistan's ability to honour its repayment commitments. However, France's outgoing Defence Minister Pierre Joxe said on March 21 that France would make a "final offer" of credit terms for the F 3,500 million (US\$620,000,000) purchase of the submarines in early April.

The move was reportedly prompted by a competing Swedish offer to Pakistan of preferential terms for half the value of an order placed with it, and interest-free credit for the remainder.

Negotiations with Bulgaria on the supply of military equipment and technology were confirmed by the Minister for Defence Production Hazar Khan Bijrani on March 7.

Death of Junejo

Mohammad Khan Junejo, 61, president of the Muslim League and Prime Minister in 1985-1988, died on March 18 in Baltimore, USA, where he was undergoing treatment for leukemia.

■ Last article pp. 39321-22; reference article pp. R78-79.

INDIA

Bomb explosions in Bombay and Calcutta

More than 250 people were killed and at least 1,200 injured in Bombay on March 12 when a synchronized chain of car bombs destroyed the city's stock exchange, gutted the offices of the country's international airline, and ripped through crowded market places, a bus stand, hotels and hospitals. On March 16 another 86 people died and 70 were injured after a bomb explosion destroyed a crowded trade and residential district in Calcutta. A further explosion at one of Calcutta's two main railway stations on March 19 killed one person and injured 11. No evidence had emerged so far linking the two sets of bomb explosions.

The scale of the bombings, unprecedented in India, prompted an immediate security alert in all major cities reportedly in response to US intelligence reports warning of an imminent bomb attack in the capital, New Delhi.

In Bombay Sharad Pawar, Maharashtra's newly appointed Chief Minister [see below], ordered reinforcements of paramilitary troops, fearing another round of communal violence similar to that which engulfed the country after the demolition of the Ayodhya mosque in December 1992 [see p. 39270]. There had been reports of fighting between Hindus and Muslims in several parts of Bombay shortly after the blasts.

Accusations against Pakistan

The bombings prompted intense speculation about the identities of the bombers and their links to groups abroad. Within hours of the explosions in Bombay the Home Affairs Minister S. B. Chavan claimed that they were part of "an international conspiracy" against India—understood to be a reference to Pakistan, or possibly Iran. The leader of the main opposition *Bharatiya Janata Party* (BJP), L. K. Advani openly accused Pakistan of responsibility for the Bombay explosions, but stressed that "the hand is certainly here"—a statement interpreted as casting doubt on the loyalty of India's Muslim population.

On March 15 the government informed both houses of Parliament that international agen-

cies, including Interpol, had been contacted to help Indian police determine "external linkages".

On March 22 Bombay's police commissioner A. S. Samra claimed that there was a "fool-proof case" implicating Pakistan in the bombings. His allegations were supported by Pawar who told a meeting of the All India Congress Committee (AICC) on March 27 that Pakistan's involvement in the Bombay blasts had been "conclusively proved".

On March 15 Pakistan had dismissed as "wild and unfounded" allegations that it was behind the bomb explosions in Bombay. Earlier, Pakistan's Prime Minister Mian Mohammad Nawaz Sharif had condemned the bombings as "wanton acts of violence". Iran also denounced the explosions as "terrorist" acts, and on March 14 protested at hints that it was involved in the blasts.

Additional speculation that the explosions were aimed at the government's fragile programme of economic reform was underlined by Prime Minister P. V. Narasimha Rao who, while visiting the damaged sites in Bombay on March 13, said that the attacks had been designed "to spread panic in business circles in India and abroad". Chief Minister Pawar also drew attention to "anti-national forces seeking to undermine the economy . . . by targeting the financial capital."

Arrests

On March 18, police in Bombay claimed that arrests related to the explosions had yielded "clinching evidence" showing that they were the work of criminal gangs loyal to Ibrahim Abdul Razak Memon, a notorious Bombay-based narcotics and gold smuggler. Members of the Memon family were reported to have fled to Dubai, in the United Arab Emirates (UAE), a few hours before the explosions.

On March 24 Pakistan pledged its full co-operation following reports that members of the Memon family had arrived in Karachi from Dubai via Jeddah in Saudi Arabia. In late March police in Bombay and Calcutta made further arrests after unearthing substantial caches of arms and explosives in both cities.

Cancellation of Narmada Dam funding

The government on March 30 asked for the cancellation of remaining loans by the World Bank worth US\$170,000,000 for the half-finished Narmada river project [see pp. 38967; 39194; R151], saying that it would "be going ahead with the project on [its] own".

The cancellation was requested after the Bank was accused of "passing on" to India protests by environmental groups which had questioned the environmental impact of the project and opposed the resettlement of some 300,000 people, mostly tribespeople. In November the Bank had temporarily suspended funding for the project, totalling US\$3,000 million, after pressure from environmental groups [see p. 39194].

Passing of Ayodhya land bill

A bill passed by both houses of Parliament on March 29 granted permission to the government to acquire land around the demolished

mosque at Ayodhya. In December the government had announced plans to acquire the site to rebuild the mosque and construct a Hindu temple [see pp. 39222; 39270].

Economy

Bank strike

Nearly 1,000,000 employees of state-run banks staged a nationwide strike on March 18 in support of higher wages.

Tourism earnings

The Press Trust of India (PTI) reported on March 8 that foreign exchange earnings from tourism in 1992 totalled Rs 39,160 million (about US\$1,240 million), 34 per cent more than in 1991. About 2,000,000 tourists currently visited the country annually.

States developments

Former Defence Minister Sharad Pawar was appointed Chief Minister of Maharashtra on March 3 replacing his political rival Sudhakarrao Naik who resigned in February [see p. 39323]. Pawar's unexpected appointment was expected temporarily to reduce his prospects of emerging as a potential challenger to Prime Minister Rao. On March 31 a Bombay High Court found Pawar guilty of electoral malpractice during the 1991 general election.

The former army chief, Gen. (retd) K. V. Krishna Rao was appointed Governor of Kashmir on March 15, replacing Girish Saksena who had offered his resignation in anticipation of fresh political initiatives to end the Muslim insurgency. Rao had previously served as governor of the state in 1988-90.

President's rule was imposed on Tripura on March 11. K. V. Ragunatha Reddy, Governor of Tripura, took additional charge as Governor of Manipur on March 20 following the resignation of Chintamani Panigrahi. Vakkom Parushothaman was named Lieutenant-Governor of the Andaman and Nicobar Islands, according to the *Hindu* of March 20.

■ Last article pp. 39322-23; reference article pp. R67-69.

BANGLADESH

Approval of revised five-year plan

The National Economic Council on March 8 approved a revised five-year plan for 1990-95, cutting total allocations by 11 per cent to taka 620,000 million (US\$16,000 million). Allocations to the public sector were cut by 17 per cent, but were raised slightly to the private sector.

Relations with France and India

A defence delegation from France held talks with senior military leaders on March 6-8.

The government called on India to show "more political goodwill" following bilateral talks on sharing river waters held on March 30-31 under the auspices of the Joint Committee of Experts of Bangladesh and India [see pp. 38913; 39195].

Ferry disaster - Diarrhoea death toll

Nearly 150 people were killed when an overcrowded ferry sank during a storm near Sripur on the river Tetulia in southern Bangladesh on March 26.

At least 970 people had died of diarrhoea in the previous month, according to a report on March 10.

■ Last articles pp. 39194-95; 39327; reference article pp. R60-61.

CAMBODIA

Attacks on ethnic Vietnamese

The ethnic Vietnamese community in Cambodia suffered a number of violent attacks during March, raising fears of anti-Vietnamese pogroms and a leading to severe deterioration in already strained relations between Vietnam and Cambodia. Commentators were largely agreed that the attacks were carried out by *Khmer Rouge* units intent on arousing deep-rooted racial antagonisms for their own political and military ends.

During March *Khmer Rouge* radio broadcasts increased their use of anti-Vietnamese rhetoric and regularly incited Cambodians to launch attacks on ethnic Vietnamese (invariably referred to by the pejorative Khmer term *yuon*). The *Khmers Rouges* were not alone in their use of anti-Vietnamese propaganda, which was evident in the manifestos of most political parties competing in the forthcoming May general election. Of the various parties and factions in Cambodia, only the State of Cambodia (SOC) government (installed by Vietnam in 1978-79) denounced the anti-Vietnamese attacks. Nevertheless, there were reports in March of SOC soldiers attacking and robbing fleeing Vietnamese families. In a statement issued from his Beijing residence on March 15, Prince Norodom Sihanouk, President of the all-faction Supreme National Council, expressed compassion for the ethnic Vietnamese civilians in Cambodia, but admitted that neither he nor the UN Transitional Authority in Cambodia (UNTAC) was able to contain "this thirst for murdering the Vietnamese". "In these conditions," Sihanouk went on, "the best service to the innocent Vietnamese civilians residing in our country is to advise them to return to their country."

The attacks on ethnic Vietnamese during March increased speculation over the controversial issue of a Vietnamese troop presence in Cambodia. Vietnam was adamant that it had withdrawn the last of its soldiers from Cambodia in 1989 [see pp. 36881-82]. The *Khmers Rouges*, however, claimed that as many as 40,000 Vietnamese soldiers remained in Cambodia, disguised as SOC troops. An UNTAC investigation into the issue released in March claimed to have located only three former Vietnamese soldiers in Cambodia, two of whom had remained in the country after marrying Khmer women.

On March 10, unidentified gunmen had attacked a mainly Vietnamese floating village situated at the northern end of the Tonle Sap (the "Great Lake"). At least 34 people were killed in the attack and a further 30 were injured; many of the dead and injured were women and children. UNTAC announced on March 25 that eight Vietnamese had recently been killed in an attack in the central province of Kompong Chhnang [see p. 39238 for

attack on Vietnamese villagers there in December 1992]. On March 29 a grenade was tossed into a café frequented by ethnic Vietnamese in Phnom Penh; two people died and 14 others were injured. The attack occurred only 50 metres from the UNTAC headquarters in the city. On March 31 rockets were fired into a video hall in a village in Kompong Thom province, killing 27 Vietnamese and wounding a further 20.

The attacks prompted many ethnic Vietnamese to flee their homes in Cambodia. Reports in late March indicated that many Vietnamese living on or around the Tonle Sap were travelling towards Phnom Penh. UNTAC announced on April 1 that it had authorized armed naval patrols to protect ethnic Vietnamese fleeing Cambodia. Vietnam indicated that it would refuse to allow the mass entry of ethnic Vietnamese, claiming that they were in fact Cambodian citizens.

Killing of UN soldier

On March 31 a Bangladeshi soldier serving with UNTAC died during a gun battle with unidentified guerrillas in Siem Reap province. He was the first UNTAC soldier to die in combat.

A civilian UNTAC worker was killed in Phnom Penh on March 29 during an incident involving SOC troops.

Closure of last refugee camp

On March 30 Sadako Ogata, the UN High Commissioner for Refugees (UNHCR), officially closed Site 2, the last remaining Cambodian refugee camp situated along the Thai-Cambodian border. The closure of Site 2 brought to a successful conclusion the voluntary repatriation programme launched by the office of the UNHCR in March 1992 [see p. 38817]. Under the programme some 380,000 Cambodian refugees had been repatriated.

■ Last article p. 39324; reference article pp. R63-65.

VIETNAM

Prime Minister's visit to Japan

The Prime Minister of Vietnam, Gen. Vo Van Kiet, paid an official visit to Japan on March 24-28. Vo Van Kiet's visit was the first by a Vietnamese Prime Minister since 1973 and followed Japan's decision in November 1992 to end a 14-year ban on aid to Vietnam [see p. 39196].

During his visit Vo Van Kiet held talks with senior Japanese officials, including Prime Minister Kiichi Miyazawa, and business leaders. Vo Van Kiet reportedly pressed Japanese leaders to use their diplomatic influence to encourage the USA to normalize relations with Vietnam. Japan announced that it would send a government mission to Vietnam in May to devise a plan for infrastructural development.

Reported thwarting of armed uprising

The Kyodo news agency reported on March 21 that the security forces had recently arrested some 20 people who had been planning to stage an "armed uprising" in Ho Chi Minh City.

The report quoted "well-placed sources" as saying that a "group of repatriated Vietnamese armed with guns, grenades and explosives planned to occupy the state radio and television station and the offices of the communist party newspaper *Nhan Dan* in central Ho Chi Minh City". The authorities were reportedly informed of the plan, and police and troops were mobilized to capture the ringleaders.

■ Last article pp. 39324-25; reference article pp. R85-86.

MALAYSIA

Approval of constitutional amendments

On March 9 the *Dewan Rakyat* (House of Representatives) approved a revised version of the 1993 Constitutional Amendment Bill which, among other things, limited the legal immunity of the nine hereditary Malay rulers [see pp. 39276; 39325].

The bill was passed by 167 votes to none, with six abstentions. The opposition Democratic Action Party and Sabah United Party voted with the government.

Visit by Russian Vice-President - Speculation over arms deal

The visit of Russian Vice-President Aleksandr Rutskoi to Malaysia on March 1-3 increased speculation that Russia and the USA were, for the first time, competing to sell arms to a member of the Association of South-East Asian Nations (ASEAN).

During Rutskoi's visit, Malaysian and Russian officials discussed the possible sale to Malaysia of Russian MiG 29 aircraft and Mi-35 helicopters. The Russian side reportedly offered to set up various spare parts and technical back-up facilities in Malaysia for the MiGs. Fuelling speculation that Malaysia was seriously considering signing a deal with Russia was the signing in February of a memorandum of understanding on defence co-operation with India, a country which already operated and manufactured MiGs.

The possibility of a major arms deal between Malaysia and Russia was reported to have spurred the US government into initiating counter-offers through McDonnell Douglas and General Dynamics. According to the *Far Eastern Economic Review* of February 18 the US government was concerned about Russia's efforts to secure arms deals in the Asia-Pacific region. The report claimed that "Cold War rhetoric" had resurfaced in Washington over the Russian deal and its implications.

■ Last article p. 39325; reference article p. R76.

INDONESIA

Re-election of Suharto

On March 10 the 10th general assembly of the People's Consultative Assembly unanimously re-elected Gen. (retd) Suharto for a sixth consecutive five-year term as President [for Suharto's re-election for a fifth term in 1988 see pp. 36024-25]. Suharto, aged 71 and the sole candidate, was sworn in the following day.

Indonesian Sixth Development Cabinet

Co-ordinating Ministers

- *Gen. (retd) Soesilo Soedarman Political Affairs and Security
- *Saleh Affif Economy, Finance, Industry and Development Supervision
- *Hartarto Industrial and Trade Affairs
- *Maj.-Gen. Azwar Anas Public Welfare

Ministers

- *Lt.-Gen. (retd) Yogi S. Memet Home Affairs
- Ali Alatas Foreign Affairs
- *Gen. Edi Sudrajat Defence and Security; Commander in Chief of the Indonesian Armed Forces
- *Utoyo Usman Justice
- Harmoko Information
- *Mar'ie Muhammad Finance
- *Satrio Budiarto Trade
- *Tungki Arinibowo Industry
- *Sjarifuddin Baharsyah Agriculture
- *Lt.-Gen. Ida Bagus Sujana Mines and Energy
- Radinal Mochtar Public Works
- *Haryanto Danudirto Communications
- Maj.-Gen. (retd) Bustanil Arifin Co-operatives
- *Abdul Latief Manpower
- *Siswono Yudohusodo Transmigration and Forest Settlements
- *Joop Ave Tourism, Post and Telecommunication
- *Subianto Cakrawardaya Co-operatives and the Guidance of Small Business
- *Wardiman Joyonegoro Education and Culture
- *Suyudi Health

- *Tarmizi Taher Religious Affairs
- *Endang Kusuma Intan Suweno (f), Social Affairs
- *Jamaludin Suryohadikusumo Forestry
- Maj.-Gen. (retd) Moerdiono State Secretary

Ministers of State

- Saadilah Mursjid Cabinet Secretary
- *Air Vice-Marshal (retd) Johnny Ginandjar Kartasmita National Development Planning; Chair of Bappenas (National Development Planning Board)
- Bachruddin Habibie Research and Technology; Chairman of the Board for Technological Application and Research; Head of the Strategic Industrial Board
- *Ibrahim Hassan Food Affairs; Head of the Logistics Board
- *Haryono Suyono Population; Head of the National Family Planning Board
- *Sanyoto Sastrowardoyo Investment; Chair of the Investment Co-ordinating Board
- *Sonny Harsono Agrarian Affairs; Chair of the National Land Agency
- *Akbar Tandjung People's Housing
- *Sarwono Kusumaatmadja Environment
- *Mien Sugandhi (f), Women's Affairs
- *Hayono Isman Youth and Sports
- *Maj.-Gen. Tiopan Bernard Silalahi Administrative Reform
- Singgih Attorney General
- *Soedradjat Djiwandono Governor of Bank Indonesia
- *New appointment.
- *Altered responsibilities.
- Women are denoted by (f).

Radio Australia reported on March 9 that a group of Indonesian students had that day staged a brief demonstration outside the Assembly building, protesting against Suharto's impending re-election. Police and security officials had swiftly broken up the demonstration; a number of the students were detained for questioning.

In a speech to the opening session of the Assembly on March 1, Suharto hinted at increased democratization during his sixth term. He told delegates: "We have been enjoying dynamic national stability for more than a quarter of a century. Such stability cannot be maintained by an iron hand, regardless of its strength."

Election of Try as Vice-President

The Assembly elected Lt.-Gen. Try Sutrisno as Vice-President on March 11. Try, who had resigned as C.-in-C. of the Indonesian Armed Forces (Abri) in February [see p. 39325], replaced Gen. (retd) Sudharmono.

His election confirmed Sutrisno as the favourite candidate to succeed Suharto as President.

Appointment of new Cabinet

On March 17 President Suharto announced the sixth Development Cabinet (*Kabinet Pembangunan VI*)—for fifth Cabinet see p. 36025).

The 41-member Cabinet included 22 new members, the majority of whom were relatively youthful civilians. Abri's presence in the Cabinet declined, with the removal of L. B. (Benny) Murdani and Rudini, both powerful generals from Abri's so-called "transitional generation". The economic portfolios were extensively reshuffled; Radius Prawiro (Economic Co-ordinating Minister), J. B. Sumarlin (Finance Minister) and Adrianus Mooy (Governor of Bank Indonesia) were all replaced by younger, more nationalistic technocrats. Saleh Affif, the new Co-ordinating Minister for the Economy, was the sole survivor of the original "Berkely Mafia" group of technocrats which had risen to prominence in the late 1960s.

■ Last article pp. 39325-26; reference article pp. R69-71.

PAPUA NEW GUINEA

Agreement with foreign mining companies

A dispute between the government and three foreign mining companies ended on March 17 when it was agreed that the former would increase its stake in the Porgera gold mine from 10 to 25 per cent at a cost of 138,750,000 kina (1 kina=US\$0.9757 as at March 8, 1993). The equity of the three Australian-controlled

joint venture partners—Placer Pacific, Renison Goldfields and Highlands Gold, a subsidiary of MIM Holdings—would be consequently reduced from 30 per cent each to 25 per cent each.

The deal ended a dispute which had arisen in 1992 following the election of the government of Paias Wingti. The new government claimed that it wanted a larger stake in the mine—the largest gold mine outside South Africa—on the grounds that the foreign partners had intentionally misled the Papuan authorities over the profitability of Porgera. In return for the willingness of the partners to sell some of their equity in the project, the government agreed to retract the accusation of deliberate deception.

Secessionist war in Bougainville

Despite recent government claims to have defeated the Bougainville Revolutionary Army (BRA), there were reports of several clashes between guerrillas and government forces on the island of Bougainville during March. The conflict also continued to strain Papua New Guinea's relationship with the neighbouring Solomon Islands which had frequently been accused of providing assistance to the rebels. In early March there were reports of several incursions into Solomon Island airspace by Papuan military aircraft. In one such incident, according to a report by Radio Australia on March 5, there was an exchange of fire between Solomon Island ground forces based on Shortland Island and an aircraft belonging to the Papuan Defence Force.

As a result of ongoing ministerial talks aimed at improving relations between the two Pacific neighbours, it was reported on March 8 that the Solomon Islands had begun the voluntary repatriation of refugees from Bougainville. It was believed that up to 1,000 people had crossed into the western provinces of the Solomons.

■ Last article p. 39326; reference article pp. R93-94.

PHILIPPINES

Presidential visit to Japan

President Fidel Ramos made his first state visit to Japan on March 9-13, when he held talks with Japanese Prime Minister Kiichi Miyazawa and other senior figures, and was received by Emperor Akihito.

Miyazawa informed his guest that the Japanese government has decided to extend 72,100 million yen to the Philippines as the final portion of its 18th yen loan (US\$1.00=118,508 yen as at March 15, 1993). The 97,500 million 18th loan was 22,700 million yen less than the 17th loan, a shortfall which Japanese officials attributed to the limited absorption capacity of the Philippines' economy. The series of yen loans, which were additional to the 25,400 million yen advanced in 1992 in the wake of the previous year's Mount Pinatubo volcanic disaster, were designed to finance infrastructure projects.

At a banquet speech on March 11 Miyazawa offered a "sincere apology" and expressed his remorse over the many "comfort women"—women forced to provide sexual services for

the Japanese armed forces during the Pacific War—forcibly recruited from the Philippines. Recent revelations over the scale and organized nature of the recruitment of comfort women had adversely affected Japan's relationship with many of its Asian neighbours. Following Miyazawa's apology, Ramos was reported to have asked the Prime Minister to increase the efforts of his government to resolve the issue "in a satisfactory manner".

Earlier in the month, on March 2, a Japanese citizens' support group had been founded to offer financial assistance to former "comfort women" from the Philippines who wished to sue the Japanese government for compensation over their treatment. Lawyers associated with the group were among those representing five plaintiffs who were currently pursuing a compensation suit against the Japanese government, the first "comfort women" from south-east Asia to have done so.

■ Last article p. 39326; reference article pp. R79-80.

AUSTRALIA

ALP general election victory

The Australian Labor Party (ALP), which had held power since 1983, won a fifth consecutive general election victory on March 13. Despite widespread predictions of the party's imminent defeat, it slightly increased its percentage share of the vote, and significantly expanded its number of seats in the legislature. [For 1990 elections see pp. 37320-21.]

Election campaign

The five-week election campaign was fought against a background of severe economic recession with unemployment running at more than 11 per cent and with high levels of foreign debt. Most observers believed at the outset that a victory for the National Party-Liberal Party opposition coalition was almost a foregone conclusion. Although the ALP closed the gap during the course of the campaign, the opposition retained a clear lead in the overwhelming majority of opinion polls.

The opposition coalition attempted to exploit the ALP's record in government by running a campaign which concentrated on economic issues and attempted to hold responsible the policies of Paul Keating—who had been federal Treasurer for nine years before becoming Prime Minister—for the

country's worst recession for 60 years. Liberal leader John Hewson, a former economics professor, performed effectively, although he was rarely convincing in his attempts at overt populism.

Keating made a slow start to the campaign, and his early television performances were ineffective. His performance improved as the campaign progressed, however, and he demonstrated the degree to which he had successfully shed his image of a cold technocrat in the 15 months since becoming Prime Minister. His two-fold strategy involved widening the campaign to include non-economic issues, while also bringing a critical scrutiny to bear on the opposition's economic programme. The first element of this approach involved an emphasis on those areas which Keating had highlighted since becoming Prime Minister, including women's issues, the arts, and aboriginal rights. In particular he exploited the issue of Australian republicanism, using it to mobilize support among nationalists.

The second element of Keating's approach was an assault on the central element of the opposition's economic programme, the proposed goods and services tax (GST—see p. R87). The GST was designed to provide funds for significant cuts in personal income tax and the abolition of several existing indirect taxes. It was attacked by the ALP on the grounds that it would increase the price of basic goods and services. The GST lay at the centre of an opposition blueprint which emphasised reduced public spending, an increase in the role of market forces, an acceleration in the pace of tariff reform, an abolition of the current centralized wage system, and an increased reliance on the private provision of social services including health and education. Hewson claimed that the programme would cut business costs, create 2,000,000 jobs by the end of the decade, and help to reduce the country's high foreign debt by increasing the level of saving. By contrast the ALP, which between 1983 and 1990 had undertaken radical economic reforms (including floating the currency, deregulating the financial system, reducing tariffs and decentralizing the labour market), offered a cautious programme of continued *laissez-faire* reforms, while also nurturing the early signs of economic recovery and returning to the party's traditional concern with social justice.

All predictions of the ALP's defeat were confounded when, on March 13, the party polled 52 per cent of the vote. Although the country's complex voting system meant that by the end of March had final results had yet to be declared, it appeared that the ALP had increased its majority from nine to around 15 in the 147-member House of Representatives (the lower chamber of the bicameral legislature).

Elections were also held for 40 seats in the 76-member Senate.

Cabinet reshuffle

Keating described the election result as the "sweetest victory ever", and praised the "true believers, the people who in difficult times have kept the faith". He stated that the priorities of his new administration would be the management of the economy and the creation of jobs.

Australian House of Representatives election results

Party	Distribution of seats*	
	1993	1990
ALP	79	78
Liberal-National Parties	65	69
Others	2	1
Total*	146	148

*Unofficial estimate, since counting was not yet complete in several constituencies.

*In the Queensland seat of Dickson polling was halted after the death of a candidate during the campaign. A by-election was due to be held on April 17.

New Australian Cabinet**Paul Keating** Prime Minister***Brian Howe** Deputy Prime Minister, Local Government, Housing and Community Services***Graham Richardson** Health***John Faulkner** Veterans' Affairs***Gareth Evans** Foreign Affairs***Peter Cook** Trade**Robert Ray** Defence**John Dawkins** Treasurer**Ralph Willis** Finance**Kim Beazley** Employment; Education and Training***Ros Kelly (f)** Sport, Environment, and Territories***Nick Bolkus** Immigration and Ethnic Affairs
Simon Crean Primary Industries and Energy***Alan Griffiths** Industry, Technology and Regional Development***Bob Collins** Transport and Communications***Peter Baldwin** Social Security***Bob McMullen** Arts and Administrative Services***Laurie Brereton** Industrial Relations***Duncan Kerr** Attorney General (acting)***Michael Lee** Tourism*** Altered responsibilities.***** New appointment.****Women are denoted by (f).**

At a press conference on March 15 Keating ruled out the possibility of a referendum on the issue of republicanism during the government's new term. He re-emphasized his view that Australians could not be "masters of our own destiny" until the link with the British monarch had been severed, but suggested that such a constitutional change required careful consideration and extensive public debate. He confirmed an earlier commitment to create a committee to draw up plans for the transition to a republic, and expressed the hope that the process could be completed by 2001, the centenary of the federation of the Australian states.

Keating unveiled his new Cabinet on March 24. While several senior members were retained, there was an influx of ministers drawn from the "NSW Right", a faction within the party composed of right-wingers from Keating's home state of New South Wales.

Graham Richardson, a close Keating associate and prominent member of the NSW Right, returned to the Cabinet to take over the sensitive Health portfolio, having been forced to resign in May 1992 in connection with a scandal known as the Marshall Islands' affair [see p. 38917]. Another associate of the Prime Minister, Laurie Brereton, was brought in to manage industrial relations. As a minister in the government of New South Wales he had earned considerable public antipathy by forcing through several huge infrastructure projects in Sydney and had been forced from office in 1987.

Re-election of opposition leaders

Within 18 hours of the election defeat Hewson announced the abandonment of the GST, but refused to resign as Liberal leader. In a leadership contest held on March 23 among the party's parliamentary caucus, he polled 47

votes compared with 30 for former Liberal leader John Howard and one for Bruce Reid.

Michael Wooldridge was chosen as the party's new deputy leader from among seven candidates, including Peter Reith, whom he had replaced in the post. Following his re-election Hewson promised to broaden the base of the party and to increase its support amongst women, environmentalists, and unskilled workers. He also suggested that Howard would be given a senior front bench position in the shadow cabinet.

The National Party re-elected as leader Tim Fischer. A new deputy leader, John Anderson, was elected.

Last article p. 39326; reference article pp. R87-88.

NIUE**New Prime Minister - Elections**

It was reported by Radio Australia on March 13 that former Labour Minister Frank Louis

had become Prime Minister of the New Zealand dependency of Niue in place of Young Vivian who had held the post in an acting capacity since the death of Sir Robert Rex in December 1992 [see p. 39239]. Louis defeated Vivian by 11 votes to nine in the island's 20-member legislature.

The contest followed legislative elections when the country's 1,233 voters chose six candidates for common roll seats and 14 for village-based seats.

■ Last article p. 39239; reference article p. R93.

IN BRIEF

FUTUNA: It was reported on March 13 that an earthquake measuring 6.3 on the Richter scale had struck the French Pacific island of Futuna, killing at least five people and severing water and power supplies.

EUROPE**BOSNIA-HERCEGOVINA****Fighting in east Bosnian Muslim enclaves**

In March fighting was concentrated around the east Bosnian Muslim enclaves of Cerska, Srebrenica, Zepa and Goradze as Serbian forces moved to consolidate control in this region, designated as a Muslim area under the Vance-Owen peace plan [see pp. 39277-78]. Cerska on March 2 fell to the Serbs, causing thousands of Muslims to flee to nearby Konjevic Polje and to Tuzla (50 km away). Air-drops to the beleaguered area by the USA, later assisted by France and Germany, continued throughout March despite doubts early in the month over their success; on March 2 Russia had expressed readiness to participate.

A presidential statement adopted unanimously by an emergency session of the UN Security Council on March 3 called on Serbia to halt its military action in eastern Bosnia and demanded that the leaders of the warring factions persist with peace talks until a "fair and workable" negotiated settlement was reached.

Muslim counter-offensive

The unilateral ceasefire declared by Bosnian President Alija Izetbegovic in February ended when the Bosnian army commander Gen. Sefer Halilovic on March 8 withdrew from truce talks with Bosnian Serbs under UN auspices, and ordered a full-scale offensive to prevent a "massacre of innocent people" in Konjevic Polje and Srebrenica. Srebrenica had been under siege for almost a year and housed some 60,000 Muslims, 20 to 30 of whom were reportedly dying each day.

UN commander's relief efforts

UN forces became involved in attempts to evacuate Muslims from the besieged areas, although concern was expressed that this was serving Serb interests. Gen. Philippe Morillon, commander of UN forces in Bosnia, visited Cerska and Konjevic Polje on March 5-6 to assess the situation, and later secured an agreement for the evacuation of Muslims from Srebrenica and Konjevic Polje. A UN convoy on March 11 entered Konjevic Polje, which had been under siege for 11 months, to evacuate the wounded but Serb forces refused to allow any men to leave and shelled a crowd of villagers who detained three British armoured escort vehicles for 24 hours; at least 16 civilians were killed and several children were seriously wounded. After the convoy of empty lorries had left, Serb forces took the town and survivors fled towards Srebrenica.

On March 11 Gen. Morillon entered Srebrenica with a UN medical and reconnaissance team and was surrounded by thousands of Muslims who feared the imminent obliteration of the town. Morillon decided on March 13 to remain there until the Serb siege was lifted. A relief convoy without a military escort was allowed to enter on March 19, and 673 civilians including 100 wounded were evacuated to Tuzla on March 20.

Serb leaders agreed on March 23 to open an air corridor from Tuzla to Srebrenica the following day to allow wounded women and children to be flown out and supplies to be taken in; in return Serb families would be flown out of Tuzla. Despite a stringent inspection of the helicopters by Serbs at Zvornik, however, the operation had to be abandoned when UN helicopters came under fire from Serb positions both at Tuzla and at Srebrenica;

several people were killed and wounded before the operation was suspended.

Peace talks

In a fresh round of peace talks which began in New York on March 2, Izetbegovic signed the military section of the Vance-Owen peace agreement on March 3 and the map section on March 25, leaving the Bosnian Serbs as the only party refusing to sign the map. Izetbegovic on March 3 and the Bosnian Croat leader Mate Boban on March 25 also signed informal arrangements for an interim government during the implementation of the plan. The European Communities (EC) on March 26 threatened the "total isolation of Serbia-Montenegro" if the Bosnian Serbs refused to accept the agreement.

Izetbegovic signed the military element only on condition that Serb heavy artillery should be placed under UN "control". The Bosnian Serb leader Radovan Karadzic objected that he had agreed only to UN "supervision" in the earlier version signed in January [see p. 39278]. As talks remained stalled for most of the rest of the month over the map and were jeopardized by the intensified fighting, President Francois Mitterrand of France met the Serbian President Slobodan Milosevic for talks in Paris on March 11 to try to resolve the deadlock.

Izetbegovic agreed to the map unexpectedly, just as the talks appeared on the brink of collapse, but said that his agreement would only stand if Serbian aggression halted and if it was implemented within a reasonable time. The map, which Boban also signed, was based on a slightly amended version put forward by the Bosnian Muslims, in which Sarajevo province would be placed under Muslim rather than tripartite control.

Ceasefire agreement

Following talks between Morillon and Milosevic on March 25 and between UN and Bosnian Serb commanders on March 26, a ceasefire was agreed by all three parties on March 27 to take effect the following day at noon. A relief convoy was allowed to enter Srebrenica on March 28 and began evacuating thousands of civilians to Tuzla.

Security Council resolution on flight ban

The UN Security Council on March 31 adopted by 14 votes to none, with China abstaining, Resolution 816 allowing NATO aircraft to shoot down planes violating the no-fly zone imposed in Bosnian airspace in October 1992 [see p. 39149]. The enforcement would come into effect after seven days.

The villages of Gladovici and Osatica near Srebrenica were bombed by small aircraft from Serbia on March 13, in the first confirmed bombing raid since the imposition of the flight ban. The Security Council on March 17 condemned Serbia for violating the ban and called on the rump Yugoslav authorities to prevent any repeat of the bombing run.

■ Last article p. 39327; reference article pp. R101-02.

CROATIA

Resignation of government

President Franjo Tudjman appointed Nikica Valentinc as Prime Minister-designate following the resignation of the government of Hrvoje Sarinic on March 29.

While an official statement issued that morning explained that the government was putting its mandate at the disposal of the President after the recent elections [see p. 39328], it was also noted that Sarinic was generally seen as an executor of Tudjman's policies rather than a leader in his own right, and that the government's resignation was a response to popular resentment over a series of financial scandals and over the current harsh economic climate.

Valentic, a lawyer by profession, had since 1990 been the general manager of the INA oil company, the largest state-owned company in Croatia.

"Warning" strike

The three main trade union confederations and several independent unions called a four-hour "warning" strike on March 12 in protest at low wages, high prices and social problems and called on the government to resign. The strike was supported by about 420,000 workers. An agreement on wages and workers' rights was signed on March 22.

Journalists and employees of Croatia's only independent daily *Slobodna Dalmacija* ("Free Dalmatia") also went on strike after the government took over majority control and editorial responsibility on March 12.

Peace talks

Separate consultations between international mediators and representatives of respectively Croatia and the self-proclaimed "Republic of Serbian Krajina" (RSK) took place in Geneva during March but failed to bring about any accommodation between the two sides. Talks were broken off by the RSK on March 30 after UN Security Council Resolution 815 was adopted treating the RSK as an integral part of Croatia.

The mandate of the UN Protection Force in Yugoslavia (UNPROFOR), due to expire on March 31, was extended for a further three months. Tudjman, who had proposed a six-month extension, continued to call for the implementation of the 1992 UN peacekeeping plan for Serb-occupied Croatia [see p. 38704].

Fighting continued on the northern Dalmatian front in Sector South of the UN peacekeeping area, notably in the Skradin hinterland around Obrovac, Benkovac, Drnis, Djevske and Kistanje. Increasingly isolated by Serb attacks on Zadar and Sibenik, Dalmatia was suffering lengthy daily power cuts, and its economy was on the brink of collapse. Bombardments were exchanged across the border between Dubrovnik and Trebinje in Bosnia-Herzegovina on March 23. Croats claimed that 3,000 non-Serbs had been expelled from the eastern Slavonia and southern Krajina as well as from the "pink zones" outside Krajina but occupied by Serb forces, and that 500 Croats had been killed in these areas by Serbs.

The assembly of the RSK on March 27 confirmed the replacement of the RSK's "prime minister" Zdravko Zecevic by Djordje Bjegovic.

■ Last article p. 39328; reference article pp. R103-04.

YUGOSLAVIA

New government

Radoje Kontic, who had been appointed Prime Minister in February [see p. 39327], named a new coalition government on March 2 comprising the Socialist Party of Serbia (SPS) and the Democratic Party of Socialists of Montenegro. Its formation had been delayed by demands from Montenegro for equal representation, and by disagreement over the allocation of the Finance portfolio.

Of the new appointees Vladislav Jovanovic, regarded as a hardliner, was hitherto Foreign Minister in the Serbian government, having resigned the previous September as Foreign Minister in the federal government, and Jovan Zebic was hitherto Deputy Prime Minister of Serbia. Both Kontic and Pavle Bulatovic were Montenegrins.

Preparations for rationing

The Serbian press reported in March that the authorities had begun to print ration books and coupons for flour, sugar and cooking oil following a poor harvest in 1992 due to severe drought. Serbian trade unions held a one-day strike in Belgrade on March 26 in protest at the fall in living standards over the past two years.

Demonstrators led by the opposition Serbian Renewal Movement, which was currently boycotting both the federal and Serbian parliaments, clashed with police in Belgrade at a rally on March 9 to mark the second anniversary of the 1991 anti-communist demonstrations [see p. 38080].

Danube blockade

Yugoslav barges blockaded the Danube from Feb. 23 to March 2 in protest at Romania's refusal, in implementation of UN sanctions against Yugoslavia, to allow two tugs laden with fuel to proceed upstream to Belgrade.

Bank closure

Jezdemir Vasiljevic, owner of Jugoskandic, the country's second largest private bank, absconded to Israel in early March and on March 12 ordered the closure of all its branches. The move caused panic among depositors who had been attracted by the bank's high interest rates over the past two years.

The Jugoskandic affair led to the arrest of the Trade and Tourism Minister of Serbia, Velimir Mihajlovic, and of his predecessor, and to the investigation of Radoman Bozovic, currently chair of the Federal Assembly and until January the Prime Minister of Serbia.

New Montenegrin government

A new multiparty coalition government was appointed in Montenegro on March 5; Milo Djukanovic remained Prime Minister.

Members of FRY government

- *Radoje Kontic Prime Minister
 - *Jovan Zebic Deputy Prime Minister, Finance (Acting)
 - *Asim Telacevic Deputy Prime Minister
 - *Vladislav Jovanovic Foreign Affairs, Acting Deputy Prime Minister
 - *Djordje Blagojevic Internal Affairs
 - *Pavle Bulatovic Defence
 - *Zoran Stojanovic Justice
 - *Tomislav Simovic Economics
 - *Milorad Unkovic Foreign Economic Relations
 - *Blagoje Lucic Transport and Communications
 - *Velibor Popovic Labour, Health and Social Policy
 - *Slavko Gordic Education and Culture
 - *Milan Dimitrijevic Science, Technology and Development
 - *Slobodan Ignjatovic Information
 - *Slobodanka Djordan (f) Environment
 - *Miroslav Ivanisevic Trade
 - *Kiviljko Lovre Agriculture
 - *Zoran Bingulac Sport
 - *Margit Savovic (f) Human Rights and Minority Rights
 - *Tomislav Rajicevic Minister without Portfolio
 - *New appointment.
 - *Member of outgoing government, but with altered responsibilities.
- Women are denoted by (f).

Kosovo-Metohija

Significant movements of Serbian troops were reported in early March on the border between Kosovo and Albania. Ethnic Albanians continued to be forced out of their jobs and up to 500,000 were believed to have left the province as Serb militias led by Zeljko Raznjatovic (known as "Arkan") stepped up harassment of Albanians, in what was described by Kosovan leaders as "ethnic cleansing on the quiet". In a message to Serbian President Slobodan Milosevic on Feb. 28 US President Bill Clinton warned that in the event of a conflict in Kosovo caused by Serbian actions, "the USA is ready to send a military force against the Serbs in Kosovo and further afield in Serbia".

The Serbian government in March announced the intention to hold elections to a provincial parliament in Kosovo.

■ Last article pp. 39327-28; reference article pp. R128-29.

ALBANIA**Approval in principle of human rights law**

After four days of debate the People's Assembly on March 31 approved in principle legislation which sought to protect fundamental human rights and freedoms. It was envisaged that the legislation would make up part of a

new constitution being prepared for approval by the Assembly in mid-1993.

The legislation was approved by 91 votes in favour to three against and 27 abstentions. The abstentions came from members of the opposition (former communist) Socialist Party of Albania which contended during the debate that human rights had been constantly violated under the rule of the Albanian Democratic Party, in office since April 1992.

Approval of treaty with Bulgaria

On March 13 the government formally approved a new treaty of friendship and co-operation with Bulgaria; it replaced a similar treaty signed in 1947 [see p. 9045] and had been signed in February during a visit to Albania by Bulgarian President Zhelyu Zhelev.

■ Last article pp. 39328-29; reference article p. R98.

BULGARIA**Zhelev's visit to Romania**

President Zhelyu Zhelev visited Romania on March 27 for talks with his Romanian counterpart, Ion Iliescu.

The two leaders discussed a number of bilateral and international issues, including the situation in former Yugoslavia and in Russia. The two sides signed an agreement on economic and political co-operation.

■ Last article p. 39329; reference article p. R102.

CZECH REPUBLIC-SLOVAKIA**Seizure of Slovak privatization shares**

In an attempt to force the Slovak side to settle outstanding issues on the division of Czechoslovak federal property and other claims, the Czech government on March 17 announced that it would not issue shares in newly privatized companies to Slovak investors. "The shares are being held as security until the two governments sign agreements on property and on balancing the assets and liabilities of the former State Bank," the Prime Minister, Vaclav Klaus, declared. [For background on the Czechoslovak privatization scheme see pp. 38921; 39062.]

The decision led to a sharp deterioration in relations with the Slovak government. The Slovak Prime Minister, Vladimir Meciar, described the move as a "breach of international law" which could lead to a "trade war" between the two countries.

It was estimated that Slovaks held the equivalent of around US\$1,000 million of shares in Czech firms, an amount similar to the Czech Republic's overall claims on Slovakia.

■ Last articles on Czech Republic and Slovakia p. 39329; Czechoslovakia reference article pp. R104-05.

CZECH REPUBLIC**Tripartite agreement on labour relations - IMF loan**

On March 11 the government and the main employers' and trade-union federations concluded a general agreement on labour relations for 1993. The agreement dealt mainly with employment issues, retraining, wage levels and social insurance.

On March 17 the International Monetary Fund (IMF) announced approval of a standby credit authorizing drawings up to the equivalent of SDR 177,000,000 (about 243 million) in support of the country's 1993 economic programme and, more immediately, to provide an early boost to the National Bank's hard currency reserves.

Party developments

At a congress on Feb. 27-28 the Czechoslovak Social Democratic Party (CSSD) renamed itself the Czech Social Democratic Party (also CSSD) and elected Milos Zeman as leader in succession to Jiri Horak. Zeman, an economist, was the candidate of the left wing.

Jiri Svoboda, leader of the Communist Party of Bohemia and Moravia (KSCM), announced his intention to resign on March 9 when the executive committee rejected his proposal for changing the party's name to remove the word "communist". He reversed his decision four days later, however, when the executive expelled hardline members from the party.

Tightening of border controls

On March 8 the Interior Ministry announced that it would tighten controls on the common borders with Slovakia and Germany in order to curb the entry of illegal immigrants and refugees (hoping to travel on to Germany) and the activities of smugglers. Henceforward Czech and Slovak citizens would need valid passports to cross the Czech-Slovak border.

Visit by Klaus to Germany

The Prime Minister, Vaclav Klaus, paid an official visit to Germany on March 23. In meetings with Chancellor Helmut Kohl and other senior government officials he discussed the Czech Republic's relations with the European Communities, the structure of co-operation in central Europe, and the implications for the Czech Republic of the proposed changes to Article 16 of Germany's Basic Law [see p. R109].

■ Last article p. 39329; Czechoslovakia reference article pp. R104-05.

SLOVAKIA**Tensions within government - Resulting Cabinet reshuffles**

During March Vladimir Meciar consolidated his position as Prime Minister and as leader of

the Movement for a Democratic Slovakia (HZDS). However, this was at the price of the dismissal on March 19 of the Foreign Affairs Minister and Deputy Prime Minister, Milan Knazko, and the resignation on March 18 of the Economy Minister, Ludovit Cernak, who had both been critical of what they considered to be his authoritarian leadership.

Differences between Meciar and Knazko had grown in recent months [see p. 39329], and on March 9 Meciar asked Michal Kovac (who had been sworn in as President on March 2 after his election in February—see p. 39329) to dismiss Knazko. Initially Kovac referred the request to the Constitutional Court (of which Milan Cic, Slovak Justice Minister in 1988-89—before the “velvet revolution”—and Slovak Premier from December 1989 until June 1990, had been appointed chair on March 8). However, when Meciar threatened to resign himself if his request were not accepted, Kovac dismissed Knazko.

Knazko, who was also deputy chair of the HZDS, was known for his Western-orientated views and was seen as Meciar's strongest critic within the HZDS.

On March 16 Kovac named Maj.-Gen. Imrich Andrejcek (independent) as Defence Minister. Two days later Cernak announced his resignation both in protest at this appointment, because of Andrejcek's communist past and his allegedly pro-federalist views, and also at the handling of the conflict between Meciar and Knazko. Andrejcek had been a professional soldier until 1990 and had been Czechoslovak Defence Minister in July December 1992.

Cernak, who was leader of the Slovak National Party (SNS) and the sole SNS Cabinet member, maintained on March 18 that Andrejcek's appointment illustrated the HZDS's “political intolerance” and said that the SNS was going “into constructive opposition”.

Jozef Moravcik and Jaroslav Kubecka, respectively the new Foreign Affairs Minister and Economy Minister, were appointed on March 19. Each had held the same portfolio in the outgoing Czechoslovak federal government.

HZDS congress

At a congress on March 27-28 Meciar was re-elected HZDS chair by 183 votes to 41 for Knazko, who resigned his membership of the HZDS to sit as an independent deputy. HZDS parliamentary representation was now 73 out of 150 deputies.

Foreign relations

Meciar visited the United Kingdom on March 8, holding talks with (i) United Kingdom Prime Minister John Major when discussions covered UK investment in Slovakia, the liberalization of Slovak trade with the European Communities and the Slovak dispute with Hungary over the Gabčíkovo-Nagymaros dam [see p. R112]; and (ii) Jacques Attali,

president of European Bank of Reconstruction and Development.

Meciar visited Russia on March 24-25 when he met President Boris Yeltsin and signed an economic, scientific and technical co-operation agreement.

On March 9 a Bratislava prosecutor dropped investigations into the bugging of the US consulate in Bratislava revealed in December 1992 [see p. 39241]. The prosecutor stated that since the devices, which had been installed before 1986, had been cut off by spring 1990 at the latest they could not have been functional in early 1992.

■ Last article p. 39329; reference article pp. R104-05.

POLAND

Rejection of privatization bill

On March 18 the *Sejm* (lower house of parliament) unexpectedly rejected the government's “mass privatization” bill (first introduced in June 1991—see p. 38306) by 203 votes to 181 with nine abstentions.

The bill provided for the transfer of some 600 state enterprises to investment funds managed by foreign advisers. Shares would be distributed at a nominal charge to the population and the funds dissolved after 10 years when the proceeds would be distributed to shareholders. Rejection of the bill, which formed a key element in the conditions for the International Monetary Fund (IMF) standby credit approved earlier in the month [see below], was seen as indicating the fragility of the seven-party coalition which had been in power since July 1992 [see pp. 39016-17].

Nevertheless on March 22 Prime Minister Hanna Suchocka declared that the government could not “permit political games to undermine reform”, and on March 30 the government approved a revised programme for presentation to the *Sejm*. Debate on the revised bill began on April 2 when a vote to remove the Privatization Minister, Janusz Lewandowski, was defeated.

The revised bill introduced two phases to the programme. In the first phase 200 enterprises would be transferred to between five and eight funds; shares would only be available to pensioners and public-sector workers, in compensation for reductions made in 1991 in the automatic indexation of pensions and wages and later declared illegal [see also p. 38921]. In the second phase 400 enterprises would be allocated to 15 other funds participation in which would be open to all Polish citizens at a minimal fee equivalent to 5 per cent of the average wage (not 10 per cent as previously planned). The government retained its intention to have the funds managed by Western consultants, refusing to bow to the objections of nationalist parties.

IMF standby credit

Following the approval of the 1993 budget in February [see p. 39330], the Executive Board of the IMF on March 8 approved a standby credit for Poland, authorizing purchases of up to SDR 476 million (about US\$655 million). At the government's request 25 per cent of each disbursement under the credit would be set aside for debt-reduction operations.

A previous three-year extended facility had been suspended in October 1991 (having been set up the previous April) after the government failed to meet IMF performance criteria [see pp. 38162; 38832].

It was expected that the agreement would open the way for approval of a World Bank loan and the conclusion of an accord to reduce Poland's foreign debt to the “London Club” of commercial banks which totalled US\$12,100 million.

Resignation of Justice Minister

On March 11 Zbigniew Dyka resigned as Justice Minister and was replaced on March 17 by Jan Piatkowski who like Dyka was from the Christian National Union (ZChN). On Jan. 27 Suchocka had sent Dyka on one month's compulsory leave which was then extended. He was criticized for failing to resolve major financial and corruption scandals.

Entry into force of abortion law

The abortion law approved by the *Sejm* in January and signed by President Lech Walesa in February [see pp. 39282; 39330] came into force on March 16.

Party political developments

Against a background of continuing readjustment of alliances and parties, the largest parties in the *Sejm* were as follows at the end of March: Democratic Left Alliance (SLD)—58 seats; Democratic Union (UD)—57; Polish Liberal Programme coalition (which included the Liberal Democratic Congress—KLD—and the Polish Economic Programme—PPG)—49; Polish Peasant Alliance (PSL)—49; Confederation for Independent Poland (KPN)—46; Christian National Union (ZChN)—44; Polish Convention—28 [see p. 39242]; Solidarity—26; Centre Alliance (PC)—24 [for seat distribution in mid-1992 see p. 39016; for subsequent changes see pp. 39063; 39106; 39242].

On Feb. 27 Polish television had reported the holding of the founding congress of the Christian National Movement-Polish Action (RChN-AP). It was led by Antoni Macierewicz, who had been expelled from the ZChN in 1992 [see p. 39106]. Polish Action reportedly had the support of three members of the *Sejm*.

The Polish Press Agency (PAP) reported on March 4 that a new Party of Polish Democracy (SDP) had been formed on Feb. 27. Led by Ziemowit Gawski it had two parliamentary seats.

Foreign relations

On March 19 the Polish and Russian governments signed a letter of intent on a contract to construct a 4,000-km gas pipeline from Siberia to Germany. In Poland it would run from the Polish-Russian border near Białystok to cross the border with Germany near Frankfurt an der Oder on the Polish-German border. Construction of the pipeline, which was projected to cost US\$3,000 million, would begin in 1994 and be completed by 2010.

■ Last article pp. 39330-31; reference article pp. R118-19.

ROMANIA

Government defeat of no confidence motion - Economic reform programme

On March 19 the government defeated by 260 votes to 192 a no confidence vote brought against its economic reform programme by the centrist opposition parties. The government had presented the programme to a joint session of parliament in early March.

The four-year programme included reforms aimed at ending price subsidies for staples and services in May 1993 and the gradual reduction of inflation. It also called for the privatization of 20 per cent of state-owned industries.

GRP congress

The extreme nationalist *Romania Mare* (Greater Romania Party—GRP) on March 6-7 held its first congress, which unanimously re-elected Comeliu Vadim Tudor as party chair.

In a speech delivered to the congress, Tudor urged that there should be a crackdown on activities of the Hungarian Democratic Union of Romania, accusing it of planning a Yugoslav-style division of Romania. Tudor also praised the former Romanian dictator Nicolae Ceausescu as a patriot, and described the revolt which overthrew him in 1989 as an "armed attack" against Romania by the former Soviet Union and Hungary.

Visit by Foreign Minister to Germany and UK

Romanian Foreign Minister Teodor Viorel Melescanu held talks in Bonn with German Foreign Minister Klaus Kinkel on March 11. The discussions centred on bilateral issues and the crisis in former Yugoslavia.

Melescanu held talks with the United Kingdom Foreign and Commonwealth Secretary Douglas Hurd in London on March 17.

During the talks Melescanu suggested that a full-scale Balkan conference be called to discuss the problems of the region once a peace agreement settling the future of Bosnia-Herzegovina had been signed. He also reportedly discussed possible compensation for Romania to cover losses resulting from the international embargo against rump Yugoslavia.

■ Last article p. 39331; reference article pp. R120-121.

RUSSIA

Confrontation between President and legislature

Throughout March the politics of Russia were dominated by the intense power struggle between the administration of President Boris Yeltsin and the 1,033-member Congress of People's Deputies (the country's highest legislative body). Ostensibly the dispute centred upon the parameters of executive and legislative authority, but it was also indicative of the fundamental differences over the pace

and direction of Russia's political and economic reform process.

At the heart of the conflict was an individual confrontation, aggravated by strong personal animosity, between President Yeltsin and the chairman of the Supreme Soviet (the bicameral standing body elected from the Congress), Ruslan Khasbulatov. The two men were widely presented by the Western press as, respectively, personifications of the contending forces of reform and "conservatism".

Political manoeuvring prior to opening of Congress

The confrontation during February between Yeltsin and Khasbulatov had led to an agreement on Feb. 16 to call an emergency session of the Congress of People's Deputies in March [see p. 39331].

The emergency session was conceived as a means of ratifying a constitutional compromise between Yeltsin and Khasbulatov on the division of power between legislature and executive. As February drew to a close, however, it became apparent that no such agreement would be reached. Therefore, Yeltsin reverted to the plan to hold a referendum on April 11 in accordance with the compromise reached on the principles of the future constitution at the seventh Congress in December [see pp. 39223-24]. Despite having agreed to the December compromise, Khasbulatov had subsequently expressed his opposition to the referendum, preferring instead to hold early legislative and presidential elections.

Thus, by early March, it became apparent that the Congress, far from approving a compromise constitutional formula, was to provide the setting for an intensification of the struggle between President and legislature. Prior to its opening both sides engaged in manoeuvres which simultaneously sought to portray the other as acting unconstitutionally, while also hinting that more radical action might be contemplated as a means of resolving the dispute.

Izvestiya of March 3 reported that, in a speech to his supporters in the Democratic Choice coalition (one of the country's four main political blocs), Yeltsin stated that he did not feel bound by the terms of the current Russian Constitution because it had been changed so radically since he had taken his oath of office in 1991. The President also stated that, if Congress rejected his proposals on constitutional reform, he would consider conducting a referendum without seeking the consent of the legislature, a move which would be unconstitutional.

It was also reported on March 3 that the Presidium of the Supreme Soviet, chaired by Khasbulatov, had adopted a motion laying out the procedure for the legislature to declare emergency rule and to strip the President of all effective powers. The adoption of this motion was believed to have been a response to the growing suspicion among hardliners that Yeltsin was considering the possibility of declaring a state of emergency and imposing presidential rule. This suspicion was heightened when Yeltsin met with the country's senior military commanders in Moscow on March 3. Western reports suggested that the generals had expressed broad support for the President and had urged him to take resolute action to end the political crisis. The Defence Minister, Pavel Grachev, how-

ever, publicly reiterated his previously stated position that the army should stay out of politics, and strenuously denied the possibility of a pro-Yeltsin military coup.

The Supreme Soviet formally voted on March 5 to convene an extraordinary meeting of the Eighth Congress on March 10. Notwithstanding Yeltsin's view that the Congress should be used to approve his constitutional reform proposals (effectively a list of demands that the legislature reduce its powers), the conservative majority within the legislature suggested that the Congress would be used to cancel the proposed referendum and to strip Yeltsin of many of his powers, particularly those emergency powers which had been granted to him in December 1991 for one year, and which had been extended at the Seventh Congress in December 1992 as part of the compromise between Yeltsin and Khasbulatov. The agenda for the Congress consisted of only two items: (i) the question of the April referendum; and (ii) "the observance of the Constitution—the basic law of the Russian Federation—by the highest bodies of the Russian Federation". The second item held an implicit threat of impeachment for the President (defined in Russian law as the "highest official" of the Russian Federation) on the grounds that several of Yeltsin's decrees had been ruled unconstitutional by the Russian Constitutional Court.

Prior to the opening of the Congress, presidential spokesman Vyacheslav Kostikov on March 7 unveiled the four questions which Yeltsin wished to include within the April referendum. These were: (i) Should Russian be a presidential republic? (ii) Should the country's supreme legislature be the bicameral Supreme Soviet rather than the Congress of People's Deputies? (iii) Should Russia's new constitution be adopted by a constituent assembly? and (iv) Should citizens have the right to buy and sell land?

Meeting of Congress

The emergency session of the Eighth Russian Congress of People's Deputies opened on March 10 and was broadcast live on Russian television. Yeltsin's supporters attempted to excise from the agenda any discussion of whether the country's senior office holders had acted unconstitutionally. After two votes, however, it was decided by a small majority to retain this issue on the agenda.

In his opening address Khasbulatov, in a clear reference to Yeltsin, condemned those "high officials" who threatened society by seeking to use unconstitutional methods to resolve the current political and economic crisis. As the afternoon session of the Congress progressed, it became apparent that the differences between Yeltsin and many of the deputies had sharpened considerably since the Congress had last convened in December 1992, and few of the deputies who spoke expressed any real degree of support for Yeltsin. At the end of the first day Kostikov warned that the Congress had brought the country to "a very dangerous situation"

and warned of the possibility that it could result in "the use of force".

The March 11 session of Congress opened with an address by Yeltsin. The President adopted a conciliatory tone, suggesting that both executive and legislature should voluntarily sacrifice some of their prerogatives and throw their support fully behind the government of Premier Viktor Chernomyrdin. On March 12-13, however, the Congress voted down the constitutional amendments proposed by Yeltsin, and voted to cancel the April referendum. It also undermined Yeltsin's powers by abandoning the freeze on constitutional amendments, which had been a part of the December compromise, and curbing the power of the President to issue political and economic decrees. In reaction to the comprehensive nature of the President's defeat, Yeltsin's supporters, including the Cabinet, walked out of the Congress on March 12. Yeltsin had already absented himself from the proceedings and subsequently stated that he would not attend any further sessions. First Deputy Premier Vladimir Shumeiko suggested that the government would go ahead with the referendum, despite the vote in Congress, on the new date of April 25.

The Congress concluded its proceedings on March 13 with a statement framed in the form of "an appeal to the citizens of the Russian Federation". It claimed that the work of the Congress had been entirely directed towards reinforcing democracy in Russia, and that the last two years had been marked by a growth in presidential power, a growing disregard for the Constitution and a series of economic reforms which had been detrimental to "the majority of the people".

Presidential address to nation - Imposition of special rule

The President's response to the decisions of the Congress came on March 20 in the form of a national address to the Russian people which was carried on national television and radio. He denounced the Congress for having usurped the powers of government, and criticized the Constitutional Court—which had earlier declared that the Congress had not exceeded its constitutional authority—for having failed in its duty to protect the Constitution. Yeltsin announced that he had signed a series of decrees introducing a "special regime", and had scheduled April 25 for a national vote of confidence in the President and Vice-President, together with a vote on the draft of a new constitution. The Congress of People's Deputies would cease to exist under the new constitution, stated Yeltsin, but both it and the Supreme Soviet would be permitted to continue to sit until fresh elections could be held. He emphasized, however, that any decisions which they might take which were contrary to presidential decrees would not be legally binding.

Yeltsin also instructed the Chernomyrdin government to introduce a series of immediate populist economic measures. These included (i) the introduction of privatization vouchers for the purchase

of land; (ii) the guarantee of ownership of property newly transferred from state to private hands; (iii) the creation of financial and technical support for small and medium-sized businesses; (iv) the development of public works programmes and measures to strengthen job security against bankruptcy and factory closures; and (v) the establishment of tighter controls on the growth of the money supply in an effort to counter inflation.

Premier Chernomyrdin and his Cabinet demonstrated their support for Yeltsin's decision to impose the "special regime" both in the legislature and on national television. The Presidium of the Supreme Soviet and Vice-President Aleksandr Rutskoi, however, both condemned the move as "anti-constitutional".

Ruling by Constitutional Court - Moves to begin impeachment

The Constitutional Court began examining the legality of Yeltsin's March 20 address on March 22. Although the decree underpinning the President's "special regime" had not been published (under law it became effective only at the point of publication), the court's chairman, Valery Zorkin, indicated that Yeltsin had exceeded his authority. This in turn led to accusations by Yeltsin supporters that Zorkin and the other judges were biased in favour of Khasbulatov.

On the same day as the court began its hearings, Rutskoi—who stood to succeed Yeltsin as President for three months until fresh elections could be held if the latter was impeached—intensified his criticism of the President. In addition to reiterating his opposition to the imposition of a "special regime", he suggested that the main source of the confrontation between executive and legislature lay in the former's economic reforms which he described as over-dependent on "mythical Western aid and not on Russia's own potential".

The Constitutional Court issued its ruling on March 23. It found that "the actions and decisions of the President . . . in connection with his appeal to the citizens of Russia of March 20, 1993" had violated the Russian Constitution, the Federation Treaty, and the law on referendums.

The court ruled that the President had acted unconstitutionally because (i) he had no authority to impose special rule other than during a legally declared state of emergency; (ii) the President's claim that any decisions emanating from the legislature which were contradictory to Presidential decrees were invalid was an unconstitutional limitation of the rights of that institution; (iii) although the President had the right to hold a vote of confidence in the President and Vice-President, he had no authority to organize a vote on whether the executive or the legislature should be the ultimate source of authority. The court also found that the form of the proposed referendum, and the questions which it was to pose, constituted a violation of the country's referendum laws, and that the subordination of local government institutions to the presidency was a breach of the Federation Treaty.

On the same day Khasbulatov accused Yeltsin of having tried to continue his "bankrupt" economic reform programme through "an attempted coup d'etat". He confirmed that the legislature would seek the President's im-

peachment. Accordingly, on March 24, the Supreme Soviet heard a report from the secretary of the Constitutional Court, Yury Rudkin, and then voted to summon an extraordinary session of the Congress of People's Deputies for March 26. The legislature had refrained from taking such a step a day earlier because Yeltsin had been attending the funeral of his mother, and deputies had decided that it would constitute a lapse in ethics to discuss the President's impeachment at such a time.

Retreat by Yeltsin - Meeting with Khasbulatov

Signs that Yeltsin had decided to retreat from further intensifying his confrontation with the legislature and the Constitutional Court were confirmed when the text of his decree relating to the March 20 speech was finally published on March 24. It contained no reference to the imposition of a "special regime". It was also confirmed that the legislature would have the final say in determining what questions were submitted to the referendum.

The conciliatory attitude of the President opened the way for a meeting on March 24 involving Yeltsin, Khasbulatov, Chernomyrdin, and Zorkin. No tangible results were achieved, although the four men were reported to have discussed the possibility of creating a government of national consensus. While Yeltsin continued to press for a referendum, Khasbulatov expressed his support for early presidential and legislative elections, and indicated that the legislature would continue its moves to impeach Yeltsin.

In a national address broadcast on television on March 25, Yeltsin accused the leadership of the legislature of plotting to remove him from office. He criticized the Constitutional Court for reaching a hasty ruling on his previous (March 20) address, which he described as only a "political speech". He appealed for deputies at the forthcoming Congress not to support the conservative leadership of the legislature, but to listen to the voice of the ordinary people who, he maintained, continued to support the President.

Convening of Congress - Cabinet changes

The ninth (extraordinary) Congress of People's Deputies convened on March 26. In a speech to the assembled legislators Zorkin justified the findings of the Constitutional Court as a defence of legislative and judicial power in the face of executive encroachment. However, he termed the appeals for Yeltsin's removal from power as "extremist", and called for an amendment of the Constitution in order to allow citizens to elect a Western-style bicameral parliament before the end of 1993.

In his address to the Congress on the afternoon of March 26, Yeltsin concentrated on the need to achieve greater economic efficiency. He also promised to make changes to the Cabinet, calling on "responsible political factions" to suggest candidates for inclusion in the government.

On the same day he made three Cabinet changes. The Minister for Economics, Andrei Nechayev, was replaced by Andrei Shapovalyants. Finance Minister Vasilii Barchuk was dismissed and his portfolio transferred to Deputy Premier Boris Fedorov. Boris Saltykov was relieved of his post of Deputy Premier and was appointed to the vacant post of Minister of Science and Technical Policy.

Following a meeting between Yeltsin and Khasbulatov on March 27 it was agreed to propose a resolution suggesting the holding of early legislative and presidential elections in November 1993 rather than the April referendum. This represented a further retreat by Yeltsin who had previously opposed simultaneous elections on the grounds that any reduction in current terms should be equal and that, therefore, Congress should face re-election a year before the President. In order to make the proposition more acceptable to current legislators it was proposed that they should retain the privileges of office until the date upon which their terms would have expired had they not been curtailed.

The climax of the Congress came on March 28 with a motion to dismiss Yeltsin as President which was voted on by secret ballot. Although 617 votes were cast in favour and only 268 against, the motion fell short of achieving the two-thirds majority of the 1,033 deputies elected which was required for it to become binding. A similar motion for the dismissal of Khasbulatov, which required only a simple majority (517 votes), was approved by 339 deputies but opposed by 558.

The vote on the removal of the President was held against a background of pro-Yeltsin demonstrations in many Russian towns and cities. The largest of these, numbering up to 100,000 people, took place in Moscow on March 28 and was addressed by the President. As news of the failure of the vote in Congress was relayed to him, Yeltsin thanked the crowd for its support and expressed satisfaction that "the communist coup has not succeeded". On the same day, Yeltsin's opponents in the National Salvation Front, together with elements of the neo-communist Working Moscow and Working Russia organizations, held a rival demonstration elsewhere in Moscow which attracted some 30,000 participants.

On March 28-29 the Congress voted to reject the resolution which had arisen from the Yeltsin-Khasbulatov meeting on March 27. It took particular exception to the proposal of retained privileges for legislators which was generally characterized as a crude attempt at bribery.

Congressional approval of referendum - Rebuke of President

In its closing session on March 29 the Congress approved four questions to be included in the April 25 referendum. These were (i) Do you trust the President of the Russian Federation? (ii) Do you approve of the social-economic policy conducted by the President and government of the Russian Federation since 1992? (iii) Do you deem it necessary to hold early presidential elections? and (iv) Do you

deem it necessary to hold early elections for people's deputies? It was decided not to include a proposed date for early elections, nor to refer to the proposal to replace the Congress with a single-tier, Western-style legislature. The Congress also ruled that the first two questions were of a constitutional nature and, therefore, would require the support of more than 50 per cent of all eligible voters in order to be approved.

In its afternoon session of March 29 the Congress also voted by 535 votes to 213 (with 31 abstentions) to approve a document containing "urgent measures to protect the constitutional structure of the Russian Federation." The document alleged that Yeltsin was personally responsible for the increasing confrontation within Russian society and called for an examination by the Constitutional Court of the legality of some of his recent decrees.

The document also called upon the President and the Premier to form a coalition "government of national unity", which should assume control of those presidential structures which were alleged to be exercising governmental functions. It envisaged the eventual creation of a bicameral supreme legislature and clarification of the status of the president and the Constitutional Court, but made no specific reference to the future of the Congress. It also demanded the abolition of the institution of presidential envoys in the regions, a decision which, it noted, had been approved at the two previous congresses but which Yeltsin had "failed to implement".

Although there was a consensus among observers that Yeltsin's position had been weakened by the Congress, the month ended with no obvious sign that either side would prevail in its struggle for supremacy, and with continuing confusion over the future of the April referendum. On March 29 both President and legislature were reported to have approached the Constitutional Court to question the legality of the actions of the other. Yeltsin was accused of making politically improper remarks at the March 28 rally of his supporters, while the Congress was alleged to have made procedural improprieties during its attempt to remove the President.

■ Last article pp. 39331-32; reference article pp. R121-22.

GEORGIA

Attack on Sukhumi - Relations with Russia

A major assault by rebel separatist forces on Sukhumi, the Georgian controlled capital of the disputed Georgian Black Sea province of Abkhazia on March 14-17 strained relations further between Russia and the government of President Eduard Shevardnadze [see p. 39334]. At least 110 people were reported dead and more than 1,000 others wounded, and 800 buildings were destroyed in the attack, which Georgia claimed was materially aided by Russian forces, citing in particular

the use of Russian SU-25 fighter bombers in the action. The Georgian parliament stated in a resolution on March 17 that the attack demonstrated that Russia was increasing "the scale of its undeclared war against Georgia".

Russia strongly denied any involvement and maintained that its forces were preserving their neutrality in the seven-month civil war, despite Georgia's shooting down a Russian aircraft flown by a Russian pilot on March 19.

Fourth round of bilateral talks

The tension over Abkhazia threatened the fourth round of talks with Russia which opened in Moscow on March 9. However, a 34-article draft friendship and co-operation treaty was released on March 11, and by the closure of the talks in the week ending March 20, agreement was reportedly reached on trade, Russian credits to Georgia and the use on Georgian territory of roubles issued by the State Bank of the Russian Federation.

■ Last article p. 39334; reference article pp. R108-09.

UKRAINE

Relations with Russia

Relations with Russia during March continued to be strained regarding both security and economic issues [for nuclear weapons talks see p. 39393].

The Ukrainian Foreign Affairs Ministry had on March 1 criticized as "imperialist" Russian President Boris Yeltsin's statement on Feb. 28 that the UN should recognize Russia's special authority to police disputes in the former Soviet Union.

Continuing dispute on oil supplies and Soviet debt

Following bilateral talks in Moscow on March 17 the government rejected Russian interpretations of agreements reach on gas supplies and on outstanding Soviet debt to the West.

On March 19 it dismissed Russian claims that it had been agreed that Ukraine was to be supplied gas at the minimum "rouble zone" price of 15,000 roubles per 1,000 cubic metres rather than at world prices, insisting that the price in fact being charged was 27,000 roubles.

The government also disputed that it had signed an agreement on foreign debt in which it declared its readiness to hand over to Russia responsibility for the management of its shares of assets and liabilities.

The Economics Ministry announced on March 13 that Russian oil supplies would total some 40,000,000 tonnes in 1993, of which 20,000,000 were according to quotas and 14,500,000 via agreements with Russian commercial companies. Restrictions on Russian oil supplies [see p. 39332] had been lifted on March 5, allowing for the delivery additional to quota of 7,100,000 tonnes in return for an commitment to invest the equivalent of US\$10,000,000 in Siberian oil facilities.

On March 3 security protocols were signed covering joint co-operation in the battle against drug trafficking and terrorism, and to protect nuclear

installations and the security of civilian maritime fleets.

Criticism by Kravchuk of draft budget

President Leonid Kravchuk on March 10 strongly criticized the draft of the 1993 budget, which was approved by the Cabinet on March 18 and which projected a deficit of up to 15.5 per cent of GNP (compared with 36 per cent in 1992), as containing too few anti-inflationary measures and not providing enough social welfare protection.

Western and market-oriented commentators had described the draft budget as inadequate or even incomplete, and also suggested that Kravchuk's criticisms heralded a confrontation with Prime Minister Leonid Kuchma's reformist government, whose measures had, according to the *Financial Times* of March 12, "begun to erode the power of the ex-communist elite which form[ed] Mr Kravchuk's main power base".

Resignation of minister

First Deputy Prime Minister Ihor Yukhnovsky announced his resignation on March 17. Along with Deputy Prime Minister Viktor Pynzenyk, Yukhnovsky was accused by Supreme Council deputies representing agricultural sectors of incompetence in agriculture and deliberate subversion of collective and state farms.

Congress on new communist party

A reported 318 delegates from 23 regions, including eight deputies from the Supreme Council, participated in a national conference on March 6-7 to found a new Communist Party of the Ukraine and to seek its legalization. The former communist party was banned in August 1991.

■ Last article p. 39332; reference article pp. R126-27.

LATVIA

Trade agreement with Russia

The Leta News Agency reported on March 8 that an agreement had been signed with Russia for bilateral trade "within quotas" set by intergovernmental agreement. Provision for additional trade was also agreed, allowing Russia to receive extra food and medicine and Latvia to receive rolled metal and rubber products.

New currency

The lat, which came into circulation on March 5 in the form of a 5-lat banknote, replaced the rouble which had been introduced as an interim measure in May 1992 [see p. 38296]. One lat was equivalent to 200 roubles. During a transition period of unspecified length, both the rouble and lat would be considered legal tender.

■ Last article p. 39286; reference article p. R114.

LITHUANIA

New government

Algirdas Brazauskas, the newly elected President of Lithuania, on March 10 appointed Adolfas Slezevicius as Prime Minister. Later that day the appointment was confirmed by the *Seimas* (legislature) by 70 votes to 13, with 23 abstentions.

Slezevicius announced a new government on March 16, which retained most of the members of the previous administration.

■ Last article p. 39334; reference article p. R115.

New Lithuanian Cabinet

- *Adolfas Slezevicius Prime Minister
- Julius Veselka Economy
- *Algimantas Vladas Stasiukynas Power Engineering
- Eduardas Grikelis Finance
- Audrius Butkevicius National Defence
- Dainius Trinkunas Culture and Education
- *Gintautas Kovalickas Forestry
- Albertas Sinevicius Trade and Industry
- Gintautas Zindelis Communications and Information
- Teodoras Medaiskis Social Security
- Algirdas Vapsys Construction and City Planning
- Jonas Prapiestis Justice
- Jonas Birziskis Transport
- *Jurgis Briedikis Health
- Povilas Gylis Foreign Affairs
- Romasius Vaitiekunas Internal Affairs
- Rimantas Karazija Agriculture
- *New appointment.

FRANCE

Election victory for centre-right

Legislative elections to the National Assembly (lower house of parliament) were held in two rounds on March 21 and 28 [for 1988 legislative elections see pp. 36227-31]. The ruling Socialist Party (*Parti socialiste*—PS) halved its share of the vote and lost all but 54 of the 252 seats it had held in the outgoing National Assembly. The Gaullist Rally for the Republic (*Rassemblement pour la république*—RPR) became the strongest party, with 247 seats as against 126 previously, while the centre-right Union for French Democracy (*Union pour la démocratie française*—UDF) became the second strongest with 213 seats (131 previously). As a result the RPR and UDF together controlled over three-quarters of the 577 seats in the National Assembly.

Despite widespread reported disaffection with the mainstream parties, smaller parties at both ends of the political spectrum did not fare well.

The extreme right-wing National Front (*Front National*—FN) lost the seat which it had held since a 1989 by-election in Dreux [see p. 37134]; Marie-France Stirbois, widow of the former FN secretary-

general Jean-Pierre Stirbois, lost by 105 votes. Jean-Marie Le Pen, 64, the FN leader, failed to win Nice—a region where FN support was traditionally strong.

Opinion poll predictions of increased support (to as much as a combined 19 per cent) for the radical, environmentalist *les Verts* and the more pragmatic *Génération écologie* (GE) did not materialize. An entente between the two parties reached in November 1992 was partly undermined by continuing rivalry.

Election campaign

In a generally subdued campaign where a socialist defeat was widely expected, a central question concerned the likely relative strengths of the two parties in the Union for France (*Union pour la France*—UPF) alliance: the UDF (the larger of the two parties in the outgoing parliament) and the RPR.

In expectation of the PS defeat, Michel Rocard, 62, a former Prime Minister and the likely PS presidential candidate in the elections due in 1995, on Feb. 18 proposed a "political big bang" to create a new centre-left alliance. His first aim was, he said, "to reunite the PS itself" after which he hoped to form a "vast, modern and open movement" which would also include environmentalists, human rights activists, centre parties and reformist communists. Although favourably received by *Génération écologie* the idea was criticized by the centrists.

Other campaign issues are outlined below.

These included what the *Guardian* of March 19 described as the "perceived moral bankruptcy of the government", which had been revealed as involved in a number of corruption scandals and a case concerning the distribution of HIV-infected blood in 1984-86 [see pp. R107-08; 39336-37].

In addition, during the campaign *Libération* on March 4 published documents indicating that an anti-terrorist unit at the Elysée presidential office had in 1985-86 illegally tapped the telephone of a *Le Monde* journalist investigating the 1985 shooting of two Greenpeace activists in New Zealand by French agents [see pp. 33852-55; 34565-68] and the 1982 arrest of three Irish people in Vincennes after guns and explosives had been planted in their flat. When the Elysée unit maintained that the tapping was an isolated incident carried out without official approval *Libération* released new information on March 12 showing requests for the tapping of 114 telephones.

The state of the economy caused concern, unemployment having reached 2,992,600 in January 1993 (10.5 per cent of the workforce). The PS stressed its support for a Europe-wide initiative for growth to help reduce unemployment. The UPF proposed a privatization programme to help reduce the budget deficit, as well as tax reforms and spending cuts.

On trade, particularly in relation to the General Agreement on Tariffs and Trade, both the RPR and UDF opposed the GATT agreement reached in November 1992 [see pp. 39176-77; 39250; 39297-98; 39346; 39394] and proposed instead a review and possible relaunch of the Uruguay Round of GATT negotiations. The parties also sought to placate French fishermen who were protesting over imports of cheap fish [see p. 39388].

First and second rounds of French legislative elections

	Percentage of vote		Distribution of seats	
	1st round (1988 figure in parentheses)	2nd round	New Assembly	At dissolution
Extreme left	1.77 (0.36)	0.10	0	0
PCF	9.18 (11.32)	4.61	23	26
PS	17.59 (34.76)	28.25	54	252
*MRG	0.89 (1.14)	1.15	6	10
*Presidential majority	1.79 (1.65)	2.17	10	20
GE	3.62 (-)	0.08	0	-
<i>les Verts</i>	4.01 (0.35)	0.09	0	-
Regionalists	0.45 (0.07)	0.17	0	0
Others	3.76 (-)	0.00	0	0
RPR	20.39 (19.18)	28.27	247	126
UDF	19.08 (18.49)	25.84	213	131
Various right	4.71 (2.85)	3.56	24	11
Front National	12.41 (9.65)	5.66	0	1
Extreme right	0.27 (0.13)	0.00	0	0

**Mouvement des radicaux de gauche.*

*Comprised various left candidates.

In the first round of voting there were 38,968,660 registered voters; 26,860,177 votes were cast, of which 25,442,403 were valid, representing an abstention rate of 31.07 per cent.

In the second round of voting there was an abstention rate of 32.48 per cent.

Source: French Interior Ministry.

There were 5,319 candidates for the 577 National Assembly seats (as compared with 2,880 in 1988). In the new National Assembly there were 35 women.

Election results

The extent of the defeat of the PS, which failed to win any seats in the first round of polling, was revealed by the number of PS ministers and former ministers who lost, including most notably Rocard.

Among the others were (i) Roland Dumas, Minister of State for Foreign Affairs; (ii) Michel Sapin, Economy and Finance Minister, who lost his seat in the first round; (iii) Michel Delebarre, Minister of State for Public Affairs and Administrative Reform; (iv) Michel Vauzelle, Justice Minister and Keeper of the Seals; (v) Dominique Strauss-Kahn, Industry and Foreign Trade Minister; and (vi) Louis Mermaz, Government Spokesperson also responsible for relations with parliament. Nine other members of the outgoing Council of Ministers failed to win election.

Among those who kept their seats were Bérégovoy, the Minister of State and National Education and Culture

Minister Jack Lang, and the Urban Affairs Minister Bernard Tapie (who was not a PS member). PS first secretary and former Prime Minister Laurent Fabius was also re-elected.

A key setback for the RPR was the election of Michel Noir in Lyon despite his alleged involvement in the "Botton affair" in which his son-in-law Pierre Botton was suspected of corrupt dealings. Noir had left the RPR in December 1990 denouncing the mediocrity of the conservative opposition [see p. 37925].

Hardline leader Georges Marchais of the *Parti communiste français* (PCF) retained his Paris suburb seat but the leader of the PCF's reformist wing, Charles Fiterman, lost his.

Results in the overseas departments (DOM) and territories (TOM) were as follows.

Guadeloupe (DOM) PS 1, Parti progressiste démocratique guadeloupéen (PPDG) 1, "various right" 1, RPR 1; Réunion (DOM) PS 1, Parti communiste réunionnais (PCR) 1, UPF 1, RPR 1, UDF-CDS 1; Martinique (DOM) UPF 1, RPR 2, Parti progressiste martiniquais 1; French Guiana (DOM) various left 1, RPR 1; New Caledonia (TOM) RPR 2; French Polynesia (TOM) RPR 2; Wallis and Futuna (TOM) MRG 1; Mayotte (a collectivité territoriale) UDS-CDS 1; St Pierre and Miquelon (a collectivité territoriale) UDF-CDS 1.

Appointment of centre-right government

On March 29 President Mitterrand, 76, whose second seven-year presidential term was due to expire in 1995, named Edouard Balladur of

the RPR as Prime Minister. His appointment began a second period of "cohabitation" between a socialist President and a right-wing government (the first having been in 1986-88). Despite calls by Chirac for Mitterrand to resign "in the interests of France", Mitterrand reaffirmed his determination to carry out his full term as President.

RPR leader Jacques Chirac, 60, Prime Minister during the first period of *cohabitation* in 1986-88 and mayor of Paris, had declined the premiership.

French Council of Ministers

Edouard Balladur (RPR), Prime Minister
Ministers of State

Simone Veil (f) Social Affairs, Health and Urban Affairs

Charles Pasqua (RPR) Interior and Administrative Reform

Pierre Méhaignerie (UDF-CDS) Keeper of the Seals, Justice

François Léotard (UDF-PR) Defence
Ministers

Alain Juppé (RPR) Foreign Affairs

François Bayrou (UDF-CDS) National Education

Edmond Alphandéry (UDF-CDS) Economy

Gérard Longuet (UDF-PR) Industry, Postal Services and Telecommunications and Foreign Trade

Bernard Bosson (UDF-CDS) Capital Works, Transport and Tourism

Alain Madelin (UDF-PR) Businesses and Economic Development with responsibility for small and medium-sized enterprises, trade and artisan activities

Michel Giraud (RPR) Labour, Employment and Vocational Training

Jacques Tourbon (RPR) Culture and Francophone Affairs

Nicolas Sarkozy (RPR) Budget, Government Spokesperson

Jean Puech (UDF-PR) Agriculture and Fisheries

François Fillon (RPR) Higher Education and Research

Michel Barnier (RPR) Environment

André Rossinot (UDF-rad.) Civil Service

Hervé de Charette (UDF-P. et R.) Housing

Michel Roussin (RPR) Co-operation

Dominique Perben (RPR) Overseas Departments and Territories

Michèle Alliot-Marie (RPR) (f) Youth and Sports

Alain Carignon (RPR) Communications

Philippe Mestre (UDF) Veterans and War Victims

There were in addition six Ministers-Delegate. Parties or groups affiliated to the UDF and represented in the Council of Ministers were the Republican Party (*Parti républicain*—PR), the Centre of Social Democrats (*Centre des démocrates sociaux*—CDS), the Radical Party (*Parti radical*—rad.), and Perspectives and Realities (*perspectives et réalités*—P. et R.). Women are denoted by (f).

preferring to stand aside until the 1995 presidential elections (his position as RPR president having been reconfirmed at a party congress on March 7).

François Léotard, 51, honorary president of the Parti républicain (PR), currently within the UDF [see also p. 39337], had been a candidate for the premiership, but in the event the UDF had failed to perform as well as the RPR.

The new right-wing coalition government announced on March 30 comprised members of the RPR and of the UDF, and one non-party member.

Of the new Council of Ministers **Balladur**, 63, was born in Turkey and after graduating from the École nationale d'administration joined the diplomatic service. As Minister of State for the Economy, Finance and Privatization in 1986-88 he was the chief architect of the then Chirac government's privatization programme.

Among the other government members **Veil**, 65, was a Jewish survivor of a German concentration camp, who served as Health Minister in 1974-79 when she introduced legislation to legalize abortion. She was president of the European Parliament in 1979-82 and was a widely respected and popular figure. **Pasqua**, Interior Minister in 1986-88, was currently the leader of the RPR in the Senate and a leading member of the campaign against ratification of the Maastricht Treaty in the September 1992 referendum. **Méhaiguerie** was Agriculture Minister in 1977-81, Minister for Equipment, Housing, Territorial Administration and Transport in 1986-88 and president of the CDS within the UDF since 1982. **Léotard** [see also above] was Minister of Culture and Communication in 1986-88, honorary president of PR since 1990 and mayor of the Mediterranean town of Fréjus. **Juppé** was a minister delegate in the 1986-88 Chirac administration and since 1988 had been RPR secretary-general. **Bayrou** was UDF secretary-general. **Alphandéry** was a former economics professor. **Longuet** was a minister delegate in the 1986-88 Chirac administration and president of the PR. **Sarkozy** was RPR deputy secretary-general.

Developments prior to elections

Entry into force of new penal code

On March 1 a new penal code, the largest part of which had been approved by both houses of parliament by July 1992 [for details see p. 39024], came into effect. It was described by the *Neue Zürcher Zeitung* of March 1 as reducing the previously extensive powers of the criminal police and investigating magistrates, and as giving suspects greater rights, for instance, to see a lawyer within 20 hours of arrest.

Constitutional reform

On March 10 the Council of Ministers approved two texts concerning the constitutional reform proposals put forward by Mitterrand in November 1992 [see p. 39209]. The first related to justice and to the protection of individuals' rights and the second to the more controversial area of the reinforcement of parliament's powers.

The texts included (i) the abolition of Article 16 of the Constitution which granted the president exceptional powers in times of serious crisis; (ii) the

granting of a referendum as a result of a popular initiative; and (iii) the obligation of a new government to seek a vote of confidence in the National Assembly. They did not include Mitterrand's proposed reduction in the length of the presidential term. It remained to be seen what would happen to the proposals after the election.

Visits by Mitterrand to USA and Russia

During the election campaign Mitterrand met the new US President Bill Clinton for the first time. He visited Washington on March 9 when both leaders stressed the urgent need for further assistance for reform programme of Russian President Boris Yeltsin.

He also held discussions with Yeltsin during a visit to Moscow on March 16 which was described as an "expression of support for the stance of the President of Russia in favour of reform and democracy". A treaty of friendship and co-operation, the first for over two centuries, was also signed as well as numerous other co-operation agreements. On March 2 in Moscow Dumas signed a protocol on the exchange of ratification agreements for the co-operation treaty signed in February 1992 [see p. 38772].

■ Last article pp. 39336-37; reference article pp. R107-08.

UNITED KINGDOM

1993-94 budget

The Chancellor of the Exchequer, Norman Lamont, presenting the 1993-94 "budget for jobs" on March 16, insisted that its main thrust was to support "sustained recovery" by controlling the public-sector borrowing requirement (PSBR), predicted by the Treasury to rise from £35,100 million (5.75 per cent of GDP) in the current financial year to £50,100 million (8 per cent of GDP) in 1993-94.

Economic growth of 1.25 per cent was forecast for the current financial year and 3 per cent in the first half of 1994.

Broadly neutral in the fiscal year beginning in April 1993, the budget detailed measures to attack the deficit through increased total taxes of £6,700 million in 1994-95 and of £10,300 million 1995-96.

Chief among revenue-raising measures was the extension of value added tax (VAT) to domestic fuel and power. Both were to incur VAT of 8 per cent in 1994-95, rising to 17.5 per cent in 1995-96, eventually to yield £3,000 million annually to the Treasury. Employees' national insurance contributions were to be increased from 9 to 10 per cent in 1994. On the other hand, the ceiling for lowest band of income tax of 20 per cent, introduced in March 1992, was increased from £2,000 to £2,500 for 1993-94, to be increased to £3,000 in the following tax year.

Targeting support for business, advance corporation tax (ACT) was to be reduced from 25 to 20 per cent over two years, the government predicting that the net cash flow benefit to companies would be £2,000 million over the following two years.

The opposition accused the government of breaking election promises not to increase

taxes and predicted that the needy and senior citizens on low incomes would be hit hardest by the VAT increase on domestic fuel.

The balance of opinion among economists and consumer experts was that fiscal tightening would act to depress consumer spending.

Coal White Paper

The government on March 29 achieved a majority of 22 in the vote in the House of Commons on its White Paper covering the future of the coal industry, thus staving off a feared backbench revolt by all members of the 30-strong Coal Group of Conservative MPs, six of whom had opposed the original pit closure plan which had outraged public opinion in October 1992 [see p. 39159].

Unveiling the White Paper on March 25, Michael Heseltine, the President of the Board of Trade, stated that it was "the only way of enabling the coal industry to take full advantage of the opportunities the market offers". In advance of the complete privatization of the industry, 12 of 31 threatened pits were to be closed, 12 to be reprieved, six to be mothballed and one to be restricted to development work only.

Whereas the parliamentary trade and industry select committee had on Jan. 29 recommended a £500 million subsidy over a five-year period to help British Coal to compete against cheap imports, the White Paper did not specify any amount or duration of such a subsidy, which would reduce over the period to full privatization.

Labour shadow Industry and Trade Minister Robin Cook stated that the "mix of short-term subsidy and long-term betrayal" would not save a single pit beyond two years.

Reforms for Scotland

A modest package of reforms for Scotland, approved by the Cabinet, were presented to parliament by the Scottish Secretary Ian Lang on March 9. Nominally aimed at improving Scotland's status in the United Kingdom and the better handling of its affairs in parliament, analysts claimed that it was also aimed at tempering Scottish demands for more radical constitutional change.

The package provided in particular for (i) a consultative voice for the Scottish Grand Committee (comprised of the 72 Scottish MPs augmented by non-Scottish Conservatives to reflect the government's House of Commons majority) in policy concerning Scotland; (ii) responsibility for training to pass from the Department of Employment to the Scottish Office with control of some industrial assistance schemes also passed from the Department of Trade and Industry; (iii) the Civil Aviation Authority (CAA) to cede control of Highland and Islands Airports to the Scottish Office; (iv) the further dispersal of Scottish Office departments currently based in Edinburgh and Glasgow.

■ Last article pp. 39334-35; reference article pp. R127-28.

NORTHERN IRELAND

Warrington bombs

Widespread anger and public revulsion was provoked by the deaths of two young boys—

Jonathan Ball, 3, and Timothy Parry, 12—victims of indiscriminate bomb attacks in Warrington, 275 km north-west of London, on March 20. The Irish Republican Army (IRA) later acknowledged responsibility, claiming that it had given the authorities adequate warning to clear a busy shopping mall where the two bombs had been planted in waste bins. The claim was vigorously denied by the police who stated that the warning had located the placing of the bombs in Liverpool.

The bombing provoked a peace march by between 10,000 and 15,000 people in Dublin, the Irish capital, on March 28.

As part of its British mainland terror campaign, the IRA had bombed a natural gas works in Warrington on Feb. 26 and had set off a bomb in Camden High Street, London, on Feb. 28, causing 18 casualties.

Sentencing of IRA members

Paul "Dingus" Magee, 45, described as one of the IRA's most dedicated gunmen, was sentenced to life imprisonment on March 31 for the murder of a special constable and the attempted murder of three other police officers in North Yorkshire, United Kingdom, in June 1992. His associate, Michael O'Brien, 28, was cleared of one charge of murder on one police officer but convicted of the attempted murder of two others.

Sectarian violence

Police arrested several men on March 26 suspected of killing four Catholic workmen on March 25 in Castlerock, 80 km north-west of Belfast, where a Catholic teenager was shot dead the same day. The Protestant paramilitary Ulster Freedom Fighters (UFF) claimed responsibility for both shootings and threatened more sectarian killings.

Anglo-Irish meeting

Security issues and the recent upsurge in terrorist violence by the IRA and loyalist paramilitaries, dominated the meeting of the Anglo-Irish Conference held in Belfast on March 23. Sir Patrick Mayhew, The UK Secretary of State for Northern Ireland, stated that "co-operation has never been closer" between the Royal Ulster Constabulary and the Irish Republic's police force, the Garda.

New party leader

In early March it was announced that Philip McGarry, a consultant psychiatrist, was to be the new chairman of the non-sectarian Alliance Party. He replaced Addie Morrow who had said that he was disillusioned with the province's "tribal politics".

■ Last article p. 39207; reference article R128.

GERMANY

Agreement on "solidarity pact"

Late on March 13, federal government and opposition leaders together with the Minister Presidents of the 16 *Länder* (states) reached broad agreement on a public spending pack-

age which would form part of the government's proposed "solidarity pact" [see p. 39288].

Under the agreement a "solidarity surcharge" of 7.5 per cent on top of existing income tax would be introduced from Jan. 1, 1995 (the government's preferred date, since it would fall after the next general election, due in 1994). The opposition Social Democrats (SPD) won agreement that there would be no reductions in social spending in a package of cuts to save DM 9,200 million of federal expenditure. Public borrowing would be increased by a further DM 60,000 million. The share of revenue from value added tax (VAT) which was allocated to the *Länder* by the federal government was to increase from 37 to 44 per cent to help them pay for transfers to eastern Germany.

The agreement, which was designed to finance a transfer to the eastern *Länder* of DM 110,000 million in 1995 at a time when the western German economy was in recession, was described by SPD leader Björn Engholm as "a huge stride towards the realization of German unity".

Hesse local elections

The right-wing, anti-foreigner Republicans (*die Republikaner*) made significant gains in communal elections in Hesse on March 7, the only test of voter attitudes in Germany until December, when local elections were scheduled in Brandenburg.

Across Hesse the Republicans' share of the vote rose from 0.7 per cent in the last elections in 1989 [see p. 36531] to 8.3 per cent, while in Frankfurt, where one-quarter of the population was non-German, they won 9.5 per cent. By contrast the SPD share of the vote fell from 44.8 to 36.4 per cent and that for the Christian Democrats (CDU) from 34.3 to 32 per cent. The Greens (*die Grünen*) increased their share of the vote (from 9.1 to 11 per cent) as did the Free Democrats (FDP) (from 4.8 to 5.1 per cent). Participation fell from 78.1 to 71.3 per cent.

The result was seen by *Le Monde* of March 9 as confirming the impression of recent months of a growing malaise in a society disoriented in the face of an influx of asylum seekers and of problems linked with unification, which in turn resulted in disaffection with the larger parties. A senior Republican declared that the party was now "a credible political force"; the SPD admitted that it had yet to define successfully its role as an opposition party; Chancellor Kohl ascribed the result to the "unusual difficulties" being experienced by politicians since unification.

Repercussions of Barschel affair

On March 23 Günther Jansen, a former SPD leader in Schleswig-Holstein, resigned his post as Schleswig-Holstein Social Affairs Minister.

His resignation followed his admission in early March that he had paid DM 40,000 (from private sources) to Reiner Pfeiffer, spokesperson for former CDU Schleswig-Holstein Minister President Uwe Barschel. Pfeiffer had revealed that Barschel had been involved in an unsuccessful campaign to discredit the SPD before the 1987 *Land* election, after which SPD leader Engholm had become Minister President. Barschel had been found dead in a Swiss hotel room shortly afterwards [see pp. 35722-23; 36045]. While Jansen maintained that the money had been given for philanthropic reasons

others were more sceptical. The incident also reflected poorly on Engholm, whose standing federal SPD leader was thereby undermined.

Measures against neo-Nazi violence

On March 3 a Rostock court sentenced a 22-year-old to 2½ years' imprisonment for attempting to cause grievous bodily harm, disturbing the peace and violating weapons laws during the August 1992 Rostock riots [see p. 39065]. This represented the toughest sentence so far imposed in connection with the riots; 24 previous prison sentences had not exceeded eight months.

On March 17 a Berlin tribunal imposed on two right-wing extremists concurrent prison sentences of 5½ years and 2½ years for attempting to blow up a Jewish memorial and to firebomb an asylum seekers' hostel in mid-1992.

The sentences reflected a more rigorous approach to extremist offenders, and in early March the Office for the Protection of the Constitution reported that there had been 136 violent attacks in the first two months of 1993 as compared with 228 over the same period in 1992. Around two-thirds had taken place in the western part of the country.

RAF bomb attack

On March 26-27 a bomb destroyed a new prison in Hesse shortly before it was to be opened. Responsibility for the attack was claimed by the Red Army Faction (RAF). [For April 1992 RAF offer to cease attacks on leading economic and government figures see p. 38872.]

Suicide of Kelly and Bastian

Federal investigators stated on March 4 that they were closing investigations into the deaths in October 1992 of former MPs Petra Kelly and Gert Bastian [see p. 39160] and that the circumstances pointed to a suicide pact.

■ Last article pp. 39335-36; reference article pp. R109-110.

BELGIUM

Government crisis

On March 23 Prime Minister Jean-Luc Dehaene presented his resignation to King Baudouin after the centre-left coalition which had been in power for a year became deadlocked on measures to reduce the budget deficit.

All four parties in the coalition were agreed on the need for cuts totalling BFr 110,000 million and had concurred on measures which would reduce the deficit by BFr 75,000 million (including the introduction of a 2 per cent increase in income and corporation tax from July 1993 for four years). However, they could not agree on measures to take care of the remainder. The Walloon Socialists insisted that salary rises continued to be index-linked, while Dehaene's Flemish Christian Democrats rejected any reduction in family allowances. (As at March 15, 1993, US\$1.00=BFr 34.193.)

The cuts were necessary to meet the criteria for economic and monetary union (EMU) laid down in the Maastricht Treaty on European Union, which envisaged maximum national budget deficits equi-

valent to 3 per cent of gross domestic product (GDP) by 1996 [see p. 38658]. In 1992 the budget deficit had risen to BFr 485,000 million, equivalent to 6.9 per cent of GNP.

King Baudouin did not immediately accept Dehaene's resignation and on March 29 requested him to negotiate a solution. The following day the coalition reached agreement that the savings would be made by privatizing certain state assets and by more rigorous accounting to reduce fraud and tax avoidance. The King accordingly announced that he would not accept Dehaene's resignation.

Parliament approved a vote of confidence in the government and in the austerity measures on the night of April 1-2.

Constitutional changes

Resolution of the crisis allowed the government to concentrate on major revisions of the Constitution which would create a federal state and help resolve differences between Flemish-speaking Flanders in the north and French-speaking Wallonia in the south.

These included the approval by the National Assembly on Feb. 6 of a new Article 1 which stated that Belgium was a federal state consisting of the regions of Flanders, Wallonia and the bilingual capital Brussels.

Dehaene denied that the changes would result in the break-up of the state as had happened to Czechoslovakia, declaring in the Chamber of Deputies on Feb. 6 that "this reform of the state does not lead to separatism but is truly based on federalism".

Indicative of the two regions' growing sense of autonomy were (i) a visit by Guy Spitaels, Minister President of the Walloon government, to Paris on Feb. 7-8; and (ii) that by Luc Van den Brande, his Flemish counterpart, to The Hague on March 25.

■ Last article p. 39113; reference article pp. R100-01.

SPAIN

Debate on unemployment

During an emergency debate on unemployment in the Congress of Deputies on March 2, Prime Minister Felipe González Márquez presented a Ptas 300,000 million (about US\$2,500 million) package of measures first announced on Feb. 26 [see p. 39337] which included investment in infrastructure projects, measures to help small and medium-sized businesses, and changes in employment laws to help create new jobs. He warned, however, that Spain would not relax its economic convergence policies aimed at reducing inflation, stabilizing the peseta and sustaining growth.

With a general election due by the end of November, José María Aznar, the Popular Party (PP) leader and electoral candidate, claimed that the government had lost all credibility and called its economic policies "an unmitigated flop". Government figures published on March 12 showed that 2,471,412 people, or 16.3 per cent of the active workforce, were unemployed in February, compared with an unofficial figure of over 3,000,000 quoted in January. At the same time figures from the National Statistics Institute (INE) showed that the economy had contracted for the first time since

1981, shrinking in the last quarter of 1992 by 0.2 per cent compared with the same quarter of 1991.

Revelations on illegal financing of PSOE

Official auditors confirmed in a report on March 22 that during 1989-91 two senior officials of the ruling Spanish Socialist Workers' Party (PSOE) had sold non-existent consultancy services to leading companies and banks, for which they had received payments worth a total of Pta 997,000,000 which were used to pay election expenses. The two men operated through two companies known as Filesa and Time Export. Investigations into illegal financing had been in progress for some time, and the PSOE headquarters had twice been searched on the orders of Judge Marino Barbero.

Compensation for haemophiliacs

The Health Ministry on March 9 promised compensation for haemophiliacs after the Spanish Confederation of Haemophiliacs threatened mass legal action, stating that since 1983, 42 per cent of its members (1,147 out of a registered total of 2,730) had become HIV-positive and 416 had died of AIDS. The federation claimed that health officials had continued to supply contaminated blood products until 1985, when heat treatment became obligatory, despite prior evidence that heat treatment would have destroyed the virus.

Advertisements promoting the use of condoms to help prevent the spread of AIDS were banned by the high court on March 10 after an action was brought by an organization representing Catholic parents.

Release of main defendant in Basque murder trial

The trial of those accused of the 1989 murder of the Basque United People (HB) deputy Josu Muguruza [see p. 37050] was suspended on Feb. 26 when one of the main defendants Ricardo Sáenz de Ynestrillas was freed without bail. A co-defendant had recently admitted to the murder, which had claimed the wrong victim.

GRAPO bombs

Three bombs which exploded in Madrid on March 3 were claimed by the Oct. 1 Anti-Fascist Resistance Groups (GRAPO).

■ Last article p. 39337; reference article pp. R123-24.

ANDORRA

Approval of new constitution by referendum

Andorra's first Constitution was approved in a referendum on March 14. The vote was 74.2 per cent in favour and 25.8 per cent voted against. Turnout was 75.7 per cent of the 9,123 native Andorrans eligible to vote out of a total population of some 60,000.

The Constitution, which described Andorra as an independent, democratic "parliamentary co-principality", placed full sovereignty in the

The Andorran administration

Co-Princes

François Mitterrand (President of France)
Joan Martí Alanís (Bishop of Urgel)

Permanent Delegates

Pierre Steinmetz Permanent French Delegate
Nemesi Marquès Oste Permanent Episcopal Delegate
Jean-Pierre Courtis Veguer de França
Francesc Badia Batalla Veguer Episcopal

Executive Council

Oscar Ribas Reig President
Josep Casal Casal Finance
Modest Baró Moles Agriculture, Commerce and Industry
Joan Albert Montane Teixé Public Services
Xavier Espot Miro Tourism and Sport
Bibiana Rossa Torres (f), Labour, Health and Social Welfare
Women are denoted by (f).

hands of the people but retained the Spanish and French co-princes as the joint heads of state with constitutionally defined although reduced powers. It provided for an independent judiciary and the election of the General Council of the Valleys (parliament) by universal suffrage, and permitted the formation and membership (by Andorran citizens) of political parties and trade unions. The government was empowered for the first time to raise revenue through income tax and other measures.

■ Last article p. 38873; reference article p. R98.

SWITZERLAND

Election of woman to Bundesrat

On March 10 Ruth Dreifuss, 53, was elected to the *Bundesrat* (Federal Council or Cabinet) in what was described by the *Financial Times* of March 11 as "a rare triumph over Swiss male chauvinism". The controversial election came after an earlier poll on March 3 in which Christiane Brunner, the candidate initially put forward by the Social Democratic Party (SPS/PSS), was defeated by Francis Matthey, 51, also of the SPS/PSS, who then, under pressure from his party, declined to take up the post.

Dreifuss replaced René Felber (SPS/PSS), 59, who had announced his resignation for health reasons in January 1993 [see p. 39289].

The candidacy of Brunner, a 46-year-old lawyer and trade union leader from Geneva elected to the *Nationalrat* (lower house of parliament) in 1991, was undermined in early February by an anonymous "committee to save the morals of our institutions" which alleged that she had had an abortion (which was illegal in Switzerland) and threatened to publish nude photographs of her. On Feb. 9 Brunner denied the existence of compromising photographs and refused to confirm or

repudiate the alleged abortion. Her candidacy was approved by the SPS/PSS leadership on Feb. 13 and by the SPS/PSS parliamentary faction on Feb. 19.

On March 3 the *Bundesversammlung* (comprising both houses of parliament) elected Matthey, a Neuchâtel *Nationalrat* member; in the first round of voting he won 117 votes (below the absolute majority of 120 required) as against 101 for Brunner, 21 for other candidates and five blank votes. In the second round he won 130 votes against 108 for Brunner and four for others.

In the voting on March 10 the SPS/PSS put forward two female candidates: Brunner and Dreifuss, an economist and a secretary of the Swiss Trade Union Federation. It took three rounds of voting before any candidate polled the requisite majority. In a close first round Dreifuss won 92 votes against 90 for Brunner, while in the second Dreifuss won 112 votes and Brunner 86; finally, in a third round Dreifuss won 144 votes and Brunner 38. In all three rounds there were other candidates. Around 10,000 citizens demonstrated outside the parliament building in favour of the election of a woman to the *Bundesrat*.

Dreifuss's eventual election was reportedly achieved only after veiled threats by the SPS/PSS to leave the coalition which would have broken the *Zauberformel*—the “magic formula”—under which the four main parties had ruled since 1959.

She was the second woman to be elected to the *Bundesrat* after Elisabeth Kopp, who was elected in 1984 [see pp. 33422-23] but resigned in 1988 [see pp. 36473; 37261].

Newspaper reports indicated that Brunner's casual manner, her informal dress style and the fact that she had been one of the organizers of a 1991 women's strike [see p. 38299] were perceived as too much of a threat by the male-dominated establishment. Both Brunner and Dreifuss were trade unionists and were known for their criticism of the role of the army.

Resulting reshuffle

On March 11 it was agreed that Felber's responsibility for foreign affairs should be assumed by Flavio Cotti (Christian Democrat), hitherto in charge of internal affairs, and that Dreifuss should take over internal affairs.

Referendums

In voting on March 7, in which 50.5 per cent of the electorate participated, 54.6 per cent of voters approved an increase in petrol tax by 20 centimes a litre and 72.5 per cent approved the legalization of casinos; both measures were designed to reduce the federal budget deficit which rose to SFr 2,860 million (about US\$1,860 million) in 1992. An initiative to ban all experiments on animals was opposed by 72.2 per cent of voters.

■ Last article p. 39289; reference article p. R125.

ITALY

Continuing institutional crisis

Corruption inquiries spread at the end of March to Naples, the seat of power of the Christian Democrats (DC), as Sicilian magistrates issued cautionary warrants against five

veteran Neapolitan politicians on March 28 for association with the Mafia. They were Giulio Andreotti, who had been Prime Minister seven times, Naples DC leaders Antonio Gava and Paolo Cirino Pomicino (both former Cabinet members), and DC deputies Alfredo Vito and Vincenzo Meo.

With the government on the brink of collapse, President Oscar Luigi Scalfaro called on Prime Minister Giuliano Amato to remain in office at least until the April 18 referendums on institutional reforms had taken place. On March 30 Scalfaro held a meeting with Achille Occhetto, leader of the Democratic Party of the Left (PDS), who said that his party was prepared to join a coalition of national emergency after the referendums.

Resignation of De Mita from Bicamerale - Dismissal of DC executive members

Former DC Prime Minister Ciriaco De Mita resigned on March 2 as chair of the parliamentary commission on constitutional reform (*Bicamerale*) after his brother Michele was arrested with 11 others on charges of misuse of relief funds following the 1980 earthquake in southern Italy [see p. 30678]. His resignation was initially rejected by the commission. Nilde Iotti (PDS) was appointed to replace him on March 10.

Rejection of decree decriminalizing illegal financing of political parties

Amato on March 9 withdrew a decree providing for the lenient treatment of the increasing numbers of politicians implicated in corruption scandals. The decree had been approved by a parliamentary committee on March 2 and by the Council of Ministers on March 5, but had aroused hostility from the public, the opposition and the judiciary. The Environment Minister Carlo Ripa Di Meana resigned on March 7 in protest, and on March 8 President Scalfaro declined to sign the decree on the grounds that it conflicted with the forthcoming referendum on the funding of political parties. The Council of Ministers thereupon agreed to submit amended proposals in the form of a bill to parliament.

The decree would have decriminalized the illicit financing of parties with retroactive effect, making the offence an administrative one punishable by fines and transferring its jurisdiction from magistrates to politically appointed regional prefects; those implicated would have been required to pay a fine of three times the sum illegally received, and to withdraw from public office for three to five years.

The government won a vote of confidence in the Senate on March 10 by 143 votes to 99 with one abstention, following tumultuous scenes in which Amato was heckled and jeered and senators came to blows. Defending his attempt to impose a political solution, Amato told the Senate that the daily “casualty reports” of arrests and investigations must end, and he warned the opposition not to force a general election before a new electoral law had been passed.

The Chamber of Deputies on March 16 also gave its support to the government by 295 votes to 248 with seven abstentions, after a debate on “the moral question in politics” conducted amid similarly rowdy scenes as the opposition brandished sponges and cleaning gloves (having dubbed the decree “the blow with the sponge”). At the same session deputies voted by 289 to 281 to lift the immunity of Vito, Di Donato and the former Liberal Party (PLI) Health Minister Francesco De Lorenzo, and rejected by 196 votes to 192 a decree to restart public works projects which had been frozen pending investigations.

New Environment Minister - Arrest of ENI executives

Valdo Spini was appointed as the new Environment minister on March 9. Ripa Di Meana was elected on March 21 as national spokesman for the Green Party.

Gabriele Cagliari, president of the state energy concern ENI (Ente Nazionale Idrocarburi) since 1989, was arrested on March 9 with Franco Ciatti, president of ENI's turbines subsidiary Nuovo Pignone; four executives of other ENI subsidiaries were arrested on March 11.

Among others arrested in March were Italy's UN permanent representative; Giuseppe Santoro, for misuse of development aid while working at the Foreign Ministry from 1972 to 1992, and the director-general of the export credit agency Sace.

Moves to lift immunity of Craxi and De Michelis - New PSI president

On March 9 a parliamentary committee recommended that the immunity of the former PSI secretary-general and Prime Minister Bettino Craxi should be lifted to enable him to face corruption charges on seven counts to date. A Venice magistrate in March issued a warrant on March 24 for the arrest of the former Foreign Minister Gianni De Michelis for the misuse of aid to developing countries, having earlier applied for his immunity to be lifted.

Gino Giugni was elected PSI president on March 15.

Moves against PLI and PSDI officials - Reduction of DC executive

The arrest on March 16 of the PLI leader Renato Altissimo was followed by that of the party's deputy leader, Attilio Bastianini, on March 19. The Democratic Socialist Party (PSDI) secretary Antonio Cariglia also received a cautionary warrant.

The Christian Democratic Party on March 23 dismissed most of its national executive, which was reduced from 48 to 15 permanent members; party president Rosa Russo Jervolino warned members involved in the scandal not to attend the meeting.

Resignation of Agriculture and Finance Ministers and of Segni

The (DC) Agriculture Minister Angelo Fontana resigned on March 21 after being placed

under investigation by Verona magistrates for corruption. He was replaced the following day by a fellow Christian Democrat, Alfredo Diana. Franco Reviglio (PSI), appointed Finance Minister as recently as Feb. 21, resigned on March 30 following allegations that he had channelled ENI money to political parties.

The resignation from the DC on March 29 of Mario Segni, leader of the dissident Democratic Alliance, was followed on March 31 by that of another DC deputy. The government's majority was thereby reduced to 14.

■ Last article pp. 39337-38; reference article pp. R113-14.

GREECE

Vote of confidence over Macedonia issue

The government on March 29 survived a vote of no confidence tabled by the Panhellenic Socialist Movement (Pasok) by 152 votes to 145 after Prime Minister Constantine Mitsotakis endorsed a UN plan to allow Macedonia to join the UN under the name "Former Republic of Macedonia".

Following an official visit to Bulgaria on March 11-12 to discuss political and economic issues, Mitsotakis said that the two sides had agreed not to allow the Macedonia issue to affect bilateral relations. They had also established that Greek and Bulgarian territory would not be used in the event of military intervention in the conflict in former Yugoslavia.

Economic convergence plan

The EC Council of (Finance) Ministers on March 16 approved an ambitious five-year plan to adapt the Greek economy for participation in economic and monetary union. It envisaged between 1993 and 1998 an annual increase in growth from 2 to 4 per cent of gross domestic product, a reduction in the annual rate of inflation from 12.6 to 4 per cent, and a reduction in the public-sector deficit from 8.6 to 0.2 per cent. The unemployment rate was to be reduced from 9.8 to 7.7 per cent.

General strike

The General Confederation of Greek Labour (GSEE) on March 18 organized a 24-hour general strike in the private and public sectors in protest at privatization policy and in support of wage increases in line with economic indicators.

Closure of US base on Crete

The Foreign Ministry disclosed on March 15 that the USA was to close the Gournes military telecommunications base on Crete by June 1994.

EP resolution on conscientious objection

The European Parliament's first resolution on human rights in Europe, passed on March 11, condemned the practice in Greece of treating conscientious objectors as criminals and sentencing them to long periods of imprisonment

in military prisons. Unarmed military service for conscientious objectors prepared to carry it out lasted twice as long as ordinary service.

■ Last article p. 39338; reference article p. R111.

TURKEY

PKK ceasefire

The leader of the Kurdish Workers' Party (PKK), Abdullah Ocalan, on March 17 announced a unilateral ceasefire, initially from March 20 to April 15, and offered negotiations during this period for a political solution to the Kurdish conflict. Ocalan dropped the PKK's earlier demands for a separate Kurdish state and for the recognition of the PKK as a political force. His offer had initially been conveyed to the Turkish government by Jalal Talabani, leader of the (Iraqi Kurd) Patriotic Union of Kurdistan.

Ocalan also met his moderate rival Kemal Burak of the Kurdistan Socialist Party (PSK) in Damascus on March 19 and the two agreed to act jointly to resolve the Kurdish problem.

Ocalan's offer met with mixed reactions, Interior Minister Izzet Sezgin stating that Turkey would not negotiate. Prime Minister Suleyman Demirel warned that the PKK should surrender but declined to reject the peace initiative out of hand, and indicated that the government's response would depend partially on events during the Turkish New Year on March 21 (when in 1992 about 90 demonstrators were killed by the security forces in Kurdistan); in the event this passed off relatively peacefully and a spring military offensive in the south-east was delayed, officially because of Ramadan.

The PKK and Turkish *Hezbollah* had also on March 2 agreed to stop attacking each other during the month of Ramadan.

The government announced in March that it planned the investment of the equivalent of US\$18,000 million in the south-east over the next five years to address the problems caused by the Kurdish rebellion and to create about 176,000 jobs each year with the aim of curbing migration from the area.

Extreme left-wing activities

The extreme left-wing group *Dev Sol*, eight of whose members were killed by police in Istanbul in March, claimed responsibility for an attack on a police bus in Istanbul on March 18 in which 10 policemen were killed. Thirty bombs placed by the Turkish Workers' and Peasants' Liberation Army exploded in Istanbul and four other cities on March 16.

Arms deal with Russia

Under a protocol signed in Ankara on March 19, resulting from an agreement signed in November [see p. 39217], Turkey would buy military equipment and weapons worth \$75,000,000 from Russia. Most of this amount would be used to cancel Russia's \$60,000,000 debt to the Export Credit Bank of Turkey (Türk Eximbank).

Özal's tour of Balkans

President Turgut Özal visited Bulgaria, Macedonia, Albania and Croatia on Feb. 17-21. Discussions centred on Bosnia-Herzegovina, the problems of former Yugoslavia, bilateral relations and regional co-operation. Özal told the press on his return that Turkey would not intervene unilaterally in Bosnia but was prepared to participate in action agreed by the UN.

■ Last article p. 39339; reference article pp. R125-26.

CYPRUS

Talks between President and Greek leaders

Newly elected President Glafkos Clerides [see p. 39338] visited Athens on March 4-6 for talks with Greek leaders centring on the organization of a Panhellenic conference to debate the future of Cyprus. In a joint statement issued after the talks Clerides and the Greek Prime Minister Constantine Mitsotakis agreed in principle to hold a conference and confirmed that talks on Cyprus should continue within a UN framework, but proposed the reformulation of certain points of the UN's 1992 "Set of Ideas" [see p. 39067]; they also urged that the procedure for admitting Cyprus to the EC should be accelerated.

At a meeting in New York on March 30 between Clerides, the Turkish Cypriot leader Rauf Denktash and UN Secretary-General Boutros Boutros-Ghali it was agreed that a new round of Cyprus talks would begin on May 24 following preparatory talks in Nicosia.

■ Last article pp. 39338-39; reference article p. R104.

EUROPEAN COMMUNITIES

UK government defeat over Maastricht Treaty

On March 8 the United Kingdom government suffered its first defeat since Prime Minister John Major took office in November 1990, when Labour and Liberal Democrat MPs together with rebel Conservatives approved a minor opposition amendment to the bill to ratify the Maastricht Treaty on European union which was still going through the committee stage in the House of Commons. The result was not expected to prevent ratification of the Treaty but would delay it.

UK ratification of the Maastricht Treaty had been stalled in June 1992 following the negative Danish referendum result [see p. 38942]; consideration of the bill was resumed in November [see p. 39205].

The amendment meant that only elected representatives would be eligible for the Committee of the Regions due to be formed once ratification was completed. The government favoured a broader

base which would have allowed it to select business people and prominent local figures.

The amendment was approved by 314 votes to 292 despite a Conservative majority in the House of Commons of 20 seats. Twenty-six Conservatives were reported to have voted with the opposition while 22 abstained. Four (Welsh) *Plaid Cymru* and three Scottish nationalist MPs voted with the government.

Fishermen's protests

February and March saw persistent protests, particularly in France, over cheap imports of fish from third countries which had resulted in a fall of 15-30 per cent in fish prices since the end of 1992.

In addition to third-country imports, the late 1992 devaluations of sterling, the Spanish peseta and Italian lira rendered these countries' exports more competitive in other EC countries. Although minimum fish prices were fixed by European Community (EC) ministers at a meeting on Feb. 25 these were not respected, despite a further meeting on March 18 which sought to reinforce them. A French demand for a further 30 per cent increase in minimum prices was rejected.

The February decision sought to fix minimum quayside prices for white fish imports (including cod, haddock, whiting, and monkfish) from Russia, Iceland, Norway, and Poland for a period of four months. It followed two weeks' of protests by French fishermen in Brittany (where half the French fleet was based) and in Brussels, the Belgian capital, and on Feb. 23 at the Rungis national fish market outside Paris which was ransacked, causing F 20,000,000 of damage.

On March 12 a French trawler was prevented from entering the Welsh port of Milford Haven. On March 17 and 18, at the time of the EC fisheries' meeting, thousands of fishermen across France staged protests with sometimes violent clashes with police. On March 22 fishing boats blocked the mouth of the river Tees in north-west England to demand that cheap Russian fish imports be banned and that the government abandon its Sea Fish Conservation Act which restricted the number of days UK fishermen were allowed to go to sea; on March 26 Plymouth was also blockaded.

Also during March imported fish (from non-EC and EC countries) was destroyed at various French ports.

At the end of the month the conflict focused on access to waters around the Channel Islands by France and UK fishermen.

On March 28 UK fisheries protection officers boarded a French trawler off Alderney in the Channel Islands and were taken to Cherbourg before being released. Later the same day a Royal Navy petrol boat was seized by French fishermen in Cherbourg harbour. Although local Guernsey fishermen agreed a truce with French fishermen the Royal Navy continued to enforce the exclusion zone around the islands.

Cut in German interest rate

In the wake of the March 13 agreement on a solidarity pact in Germany [see p. 39384] the German Bundesbank on March 18 lowered its discount rate by half a percentage point to 7.5 per cent; the Lombard rate remained unchanged at 9 per cent. The move was described by the *Independent* of March 19 as

confirming "the central bank's commitment to a steady easing in monetary policy" [for February 1993 Bundesbank interest rate cuts see p. 39339].

New Commission Vice-Presidents

Following the appointment of the new Commission in January [see p. 39290], EC Foreign Ministers on March 8 confirmed the appointments of Martin Bangemann, Sir Leon Brittan, Manuel Marín, Henning Christophersen, and Karel van Miert as Vice-Presidents. A sixth (Italian) Vice-President had yet to be named.

Competition policy

On March 10 the Commission ordered British Aerospace (BAe) to repay £44,400,000 in aid received from the UK government when it bought the Rover Group in 1988. BAe had already been ordered to repay the money, in June 1990 [see pp. 37582-83], but had successfully appealed to the European Court of Justice on a procedural technicality.

Belgian ratification of Schengen accord

The *European* of March 11 reported the Belgian parliament's ratification of the Schengen agreement on the abolition of mutual border controls [see pp. 37535; 37870; 38297; 38505]. Of the five original signatories in June 1990 (France, Germany and the Benelux countries) only Germany had still to ratify the agreement [see also p. 38785].

Association agreement with Bulgaria

On March 8 the EC signed an association agreement with Bulgaria similar to those signed with Czechoslovakia, Hungary and Poland in December 1991 and with Romania in February 1993 [see pp. 38593; 38690; 39340].

■ Last article pp. 39339-40; reference article pp. R130-32.

EFTA

Free-trade agreements with Bulgaria and Hungary

On March 29 the European Free Trade Association (EFTA) signed free-trade agreements with Bulgaria and Hungary. These were similar to those already signed since 1989 with the Czech Republic, Israel, Poland, Romania, Slovakia and Turkey [see also p. R132].

Revised protocol to EEA agreement

On March 17 six EFTA countries (excluding Switzerland), the 12 European Community (EC) countries and the EC Commission signed a protocol to the agreement establishing a European Economic Area (EEA). Following the Swiss referendum in December 1992 rejecting ratification of the EEA agreement [see pp. 39244-45], it adjusted contributions to the Cohesion Fund by other EFTA states and gave Switzerland observer status at the EEA.

■ Last article pp. 39244-45; reference article p. R132.

EUROPE

First stage of Visegrad free trade agreement

On March 1 tariffs were abolished for "non-controversial goods" traded between the Visegrad Group of countries (Poland, Hungary and the Czech and Slovak Republics). Their abolition marked the first phase of tariff eliminations provided for in the Central European Free Trade Agreement (CEFTA) signed in December 1992 [see p. 39242, where the abolition date was incorrectly given as March 31]. Other tariffs would progressively be eliminated by 2001.

Between 30 and 60 per cent of the trade between the countries concerned was reported to have become exempt from tariffs. The agreement was intended to reverse the decline in trade among the Visegrad countries, which comprised 64,000,000 consumers, and to strengthen their position in negotiations with the European Communities (EC).

Central European countries' meeting on immigration

Interior ministers from Austria, the Czech Republic, Hungary, Poland, Slovakia and Slovenia agreed at a meeting on March 16 in the Czech capital Prague to harmonize immigration policies.

Measures included plans to return asylum seekers and illegal immigrants under armed escort to their country of origin, the negotiation of common visa regulations and the establishment of an information network to help track down organizations smuggling people across borders. [For Czech tightening of border controls in March see p. 39376.]

The conference was held in response to the German decision to restrict its asylum policies in the face of a flood of asylum seekers from eastern Europe [see p. R109]. This meant that the six attending countries might cease to be transit countries for immigrants going further west and become an end destination. A official of the Office of the UN High Commissioner for Refugees (UNHCR) in Bonn, Germany, declared that "with Germany closed . . . the borders dividing Europe will effectively be moved east".

■ Last article p. 39340; regional organizations reference article pp. R132-33.

IN BRIEF

DENMARK: Justice Minister Pia Gjellerup, 33, resigned on March 29 after it was announced that investigations were being made into the possible misuse of public funds by the Social Democratic Youth Organization, of which she had been chair; she was replaced by fellow Social Democrat Erling Olsen.

FINLAND: President Mauno Koivisto, who announced on March 19 that he would not stand for a third term in the 1994 presidential elections, visited Moscow on March 4-5 where he met Russian President Boris Yeltsin; discussions covered bilateral trade difficulties, including the Russian debt to Finland which was estimated at US\$1,000 million, while agreements were signed to combat crime and prevent incidents at sea.

GIBRALTAR: No new proposals were put forward at talks on the future status of Gibraltar in Madrid on March 1 between the Spanish Foreign Minister, Javier Solana Madariaga, and the UK Foreign and Commonwealth Secretary, Douglas

Hurd; Gibraltar itself was not represented at the talks.

PORTUGAL: A new immigration law entered into force on March 8, restricting the entry of foreigners from non-European Community (EC)

countries and making expulsions easier. An extended amnesty for non-EC immigrants which had come into force in October [see p. 39162], under which about 70,000 people were thought to have regularized their situation, expired on March 5.

MIDDLE EAST - ARAB WORLD

MIDDLE EAST

Escalation of violence in occupied territories

There was a serious escalation of violence between Palestinians and Israeli security forces in the occupied territories, and in particular the Gaza Strip, during March. The current upsurge in violence had started in the wake of Israel's deportation of over 400 Palestinians to Lebanon in December 1992 [see pp. 39224-25; 39293-94; 39340-41], and led to renewed calls in Israel for a withdrawal from the Gaza Strip, occupied by Israel since 1967. In early March Haim Ramon, the prominent Israeli Health Minister, publicly called for a unilateral withdrawal, a view which he claimed was shared by six other ministers.

The month's violence started in Tel Aviv on March 1, when an Arab youth from the Gaza Strip launched a frenzied and unprovoked knife attack on a group of Israeli civilians, killing two and wounding eight others. According to some reports the attacker, identified as Ziyad Salim Silmi, was a member of Islamic *Jihad*. The Israeli army responded by sealing off the Gaza Strip on March 2. On the same day an Israeli civilian was shot dead when he became lost near the southern Gaza town of Rafah, and troops immediately imposed a curfew on the area.

The closure order on the Gaza Strip was lifted on March 8, and a few hours later a Jewish settler, Uri Magidish, was stabbed to death in southern Gaza. Fellow settlers shot dead a Palestinian later that day in retaliation for Magidish's murder.

A Palestinian student was shot dead by Israeli troops in East Jerusalem on March 10. Two days later an Israeli woman was axed to death in the Gaza Strip and a Palestinian youth was shot dead by troops in the West Bank city of Hebron. Another Palestinian died on March 12 when a device which he was assembling exploded prematurely in the Gaza town of Beit Hanoun.

On March 14 the Israeli Cabinet approved new security measures to combat the escalating violence, but *Likud* and other opposition parties attacked the measures as being too weak.

Under the new measures, up to 2,000 more police officers would be trained and the civil guard strengthened. In an attempt to reduce the number of Palestinians entering Israel from the occupied territories, the government would provide incentives to Israeli employers to hire Jewish rather than Palestinian workers. In addition, Israeli citizens would be trained in the use of firearms.

Fierce clashes took place on March 16-18 in the Gaza Strip between Palestinian youths and Israeli forces. At least two Palestinians died in the fighting and over 50 others were injured. The leader of the Palestinian delegation to the Middle East peace talks, Haider Abdel-Shafi, narrowly escaped assassination on March 18 during a visit to the Rafah refugee camp in Gaza. Abdel-Shafi, who was fired on but escaped without injury, blamed Israeli troops. A report on Israeli television, however, blamed the attack on the Popular Front for the Liberation of Palestine.

Two Israeli soldiers were killed in ambushes in the Gaza Strip on March 20. Four Palestinians, including a boy of 12, were killed during clashes in the Gaza town of Khan Younis on March 21-22.

Jewish settlers in the West Bank shot and killed a Palestinian youth on March 23. The youth was tied up and shot after reportedly pulling a knife on a group of settlers near Hebron.

Two Jewish settlers in the Gaza Strip were stabbed to death on March 28-29. The army responded to the first killing on March 28 by again sealing off the Strip. In the West Bank, a Palestinian was shot dead and five others wounded in clashes with troops on March 29.

Two Israeli police officers were shot dead by members of *Qassam*, the military wing of the Islamic Resistance Movement (*Hamas*) in Hadera, north of Tel Aviv, on March 30. Israel's inner Cabinet responded by voting to seal off both the West Bank and the Gaza Strip for an indefinite period, which prevented some 100,000 Palestinians entering Israel to work. The *Middle East Economic Digest* of April 9 said that the move was seen in some quarters as "a first, tentative step towards the disengagement from the parts of the occupied territories which sections of Israeli opinion have been demanding".

The government also eased official restrictions governing the opening of fire by troops based in the occupied territories.

Visit by Rabin to USA - Attempts to reconvene peace talks

Israeli Prime Minister Itzhak Rabin held his first meeting with US President Bill Clinton in Washington on March 15.

A report in the *Middle East Times* of March 23 said that Rabin "won a pledge" from Clinton that Israel would see any US proposal intended to advance the peace process before it was presented to the Arabs. The report also said that Clinton supported Rabin's view that the best way of advancing the peace process was to focus efforts on the Israeli-Syrian track. As a result, the report said, Clinton did not press Rabin to make any gestures designed to en-

sure Palestinian attendance at the peace talks. Rabin was forced to cut short his trip to the USA as violence in the Gaza Strip escalated, returning to Israel on March 19, rather than March 21 as originally planned.

Efforts to reconvene the stalled Middle East peace talks in Washington in mid-April were hindered by the escalating violence in the occupied territories.

The Palestinian negotiating team refused to accept a formal joint US-Russian invitation, delivered by the US consul-general in Jerusalem on March 10, to attend a ninth round of talks in Washington on April 20. The Palestinians stated that they would only resume negotiations if Israel renounced the policy of deportation. However, the team indicated that they were prepared to renounce their earlier demand for all the deportees expelled by Israel in December 1992 to be returned immediately.

The Israeli government accepted the invitation to the ninth round of peace talks, but Syria, Jordan and Lebanon did not issue an immediate response.

The Syrian Foreign Minister Farooq ash-Shar' held talks in Cairo on March 11 with Egyptian President Hosni Mubarak. Following the meeting the two sides announced that they had specific proposals for the return of the deportees and for preventing similar action in future. President Mubarak held talks with Syrian President Hafez al-Assad in Damascus on March 27 in an effort to reach a joint Arab response to the invitation to the ninth round of peace talks.

Arab foreign ministers and PLO officials met in Damascus on March 28-29 to consider the invitation. They agreed to defer a final decision until after a meeting of PLO leaders in Tunis in early April, and Mubarak's meeting with Clinton on April 6. A Palestinian delegation led by Faisal Husseini held talks in Washington on March 26 with US Secretary of State Warren Christopher.

Upgrading of PLO office in Brussels

In March Belgium upgraded the status of the PLO office in Brussels from an "information office" to a "delegation". Belgian Foreign Ministry officials said that their decision was a "political gesture" signalling their recognition of the PLO's "moderate and pragmatic approach" to bringing peace in the Middle East. Belgium, which was scheduled to take over the EC presidency in July, urged other EC states to recognize the organization's role as an "essential partner" in the Middle East peace talks.

Meeting between Palestinian and UK officials

Faisal Husseini held talks in London on March 9 with UK Foreign and Commonwealth Office Minister Douglas Hogg.

Husseini was accompanied by Afif Safieh, the PLO representative in London, and Hael Fakhour, head of the PLO European section in Tunis.

The meeting was the first between UK and PLO representatives since the UK had suspended contacts in 1990 in protest at the organization's support for Iraq following its invasion of Kuwait. The *Middle East Economic Digest* of March 19 reported that the meeting reflected a growing feeling internationally that the PLO should be recognized in order to undercut growing popular support for the more militant *Hamas*.

■ Last article pp. 39340-41.

ISRAEL

Election of Netanyahu as new Likud leader

On March 24 Binyamin "Bibi" Netanyahu was elected as the new leader of the right-wing opposition *Likud*. Netanyahu, 43, a former soldier, diplomat and deputy minister, replaced former Prime Minister Itzhak Shamir, 77, who had announced that he would step down after his defeat in the June 1992 general election.

With his victory Netanyahu became the first of the younger, Israeli-born generation of politicians to emerge as a contender for the premiership. He achieved international fame as Israel's urbane chief spokesman during the Gulf war, and was widely regarded as a "hawk". The *Middle East International* of April 2 described him as "openly militarist, expansionist and very harsh as far as human rights are concerned". However, the *Guardian* of March 26 said that Netanyahu's years as a diplomat, in Israel's embassy in Washington and at the UN, had provided him with "a firm grasp of the tortured Middle East *realpolitik*".

For the first time the *Likud* leader was elected by rank-and-file party members in US-style primaries, with as many as 145,000 of the 216,000 registered *Likud* members casting a vote on March 24. Netanyahu received 52.1 per cent of the vote, compared with 26.3 per cent for former Deputy Prime Minister and Foreign minister David Levi, 15.1 per cent for Binyamin "Benny" Begin, son of former Prime Minister Menachem Begin, and 6.5 per cent for Moshe Katsav, a former Transport Minister.

The campaign for the leadership election had been largely dominated by the extreme personal animosity between Netanyahu and Levi [see p. 39294]. Following his victory, Netanyahu called for party unity and asked his rivals to "put the controversies aside". Levi refused to congratulate Netanyahu and reiterated that he would not serve under him.

Election of new President

On March 24 the *Knesset* elected Ezer Weizmann as President for a five-year term. Weizmann, who defeated former *Knesset* Speaker Dov Shilansky by 66 votes to 53, was scheduled to succeed President Chaim Herzog on May 13. Weizmann's uncle, Chaim Weizmann, had served as Israel's first President after independence in 1948.

Weizmann, a Defence Minister in 1977-80 who was active in arranging Israel's peace with Egypt,

favoured direct contact with the Palestine Liberation Organization (PLO). Following his election, Weizmann said that he intended the presidency to take a far more active role in the Middle East peace process.

Visit by Peres to Germany

Israeli Foreign Minister Shimon Peres visited Germany on March 10-11 for talks with, among others, Chancellor Helmut Kohl and President Richard von Weizsäcker.

Visit to Vietnam by Israeli delegation

An Israeli Foreign Ministry delegation paid a visit to Vietnam on March 15-18 to discuss increased co-operation between the two countries. It was the first official visit to Vietnam by an Israeli delegation [see p. 38787 for reported visit to Vietnam and Cambodia by Israeli diplomat in February 1992].

■ Last articles pp. 39294; 39345; reference article pp. R138-39.

LEBANON

Details of reconstruction plan - Approval of World Bank loan

On March 17 the Council for Development and Reconstruction (CDR) unveiled to the Cabinet details of its plans for financing the country's reconstruction.

The programme, scheduled to run from 1993 to 2002, was costed at US\$10,000 million, with an additional US\$2,900 million accounted for as interest and other debt charges. Foreign loans and grants would account for US\$7,600 million, while it was envisaged that the remaining US\$5,300 million would be raised from budget surpluses. The full plan, as detailed in the *Middle East Economic Digest* of April 2, included the following allocations: electricity repair and rebuilding (US\$1,800 million); wastewater rebuilding (US\$820 million); telecommunications (US\$620 million); transport (US\$2,845 million); water (US\$415 million); education (US\$1,135 million); health (US\$600 million); housing (US\$950 million); agriculture (US\$585 million); industry (US\$350 million); oil (US\$70 million); private-sector services (US\$200 million).

Some commentators criticized the plan as being over ambitious. However, Prime Minister Rafiq al-Hariri defended the programme in a televised interview broadcast on March 21, saying that the reconstruction programme was needed to "put Lebanon at the forefront of regional countries that can stand on their own feet".

When questioned on political issues, Hariri denied that a power struggle was underway between himself, President Elias Hrawi and the National Assembly, but admitted that in relations between the executive and the legislature "differences of opinion and tug-of-war are natural in a democratic system".

The executive directors of the World Bank on March 6 approved a US\$175 million loan to finance emergency infrastructure repairs [see p. 39342 for initialing of loan in January]. According to analysts, the loan's approval was expected to open the way for aid from a

number of governments and international agencies.

Resignation of Shammās

Suhayl Shammās, Secretary-General of the Foreign Ministry and head of the Lebanese delegation at the stalled Middle East peace talks, resigned in early March. A report broadcast on Voice of the Mountains radio on March 10 alleged that Shammās had resigned because of "differences" with Minister of Foreign and Expatriate Affairs Faris Buwayz. Clashes between Shia fighters in southern Beirut

Armed clashes broke out in the southern Beirut suburbs on March 6 between fighters belonging to the two main Shia groups, *Hezbollah* and *Amal*. Regular army units swiftly moved into the suburbs to restore order and several *Hezbollah* and *Amal* supporters were arrested. In the wake of the unrest, the army issued a statement threatening to detain and prosecute all those involved in any future clashes.

Inter-Palestinian fighting

Radio Free Lebanon reported on March 11 that three Palestinians had been killed and nine wounded during clashes between opposing Palestinian factions which had broken out the previous day in the Shabriha and Qasimiyah camps, on the outskirts of Tyre [see p. 39167 for inter-Palestinian fighting in the camps around Tyre and Sidon in October 1992].

Israeli attack on Palestinian target

On March 6, Israeli military helicopters attacked a "terrorist target" near Sidon belonging to Ahmed Jabril's Popular Front for the Liberation of Palestine—General Command. Al-Quds Palestinian radio reported that the helicopters had attacked civilian targets in Ayn al-Hulwah refugee camp, wounding a number of people.

Last article pp. 39341-42; reference article pp. R140-41.

IRAQ

UN condemnation of human rights violations

The UN special rapporteur monitoring human rights in Iraq, Max van der Stoep [see p. 38743] in a report submitted to the UN Commission on Human Rights (UNCHR) on March 1, accused the government of human rights violations "of the gravest nature on a massive scale". Citing economic deprivation, torture and the mass execution of ethnic minorities, Stoep concluded that such violations had one "overriding reason: the present government in Iraq tolerates no real opposition".

The report claimed that the persecution of Shias in the south had been particularly vicious, with "hundreds" killed in "death camps" over the last few months. It alleged that government-instigated disturbances in

the south had also contributed to the deaths of 2,000 people in the autumn of 1992.

Stoel, who had been refused entry into Iraq for the compilation of his latest report, was forced to rely on evidence obtained outside the country. On March 9 the government newspaper *al-Jumhuriya* said that Stoel's report contained "false allegations". The London-based Iraqi Human Rights Organization said on March 23 that it was prepared to provide international organizations with details of secret locations where Iraqis were being held by the government.

A US report forwarded to the UN on March 19 documented war crimes committed against Kuwaiti citizens and residents during Iraq's occupation of Kuwait from August 1990 to February 1991. On March 21 the daily *ath-Thawra*, organ of the ruling *Ba'ath* Socialist Party, dismissed the report, saying that it was full of "distortions and lies".

UN weapons inspections

UN nuclear weapons experts led by Dimitri Perricos conducted inspections at several sites on March 3-11. On March 12 Perricos said in Manama, Bahrain, that the engineering plant at Zafaraniyah, formerly a part of the country's nuclear programme and destroyed by US cruise missiles during the Gulf war, had been rebuilt at a different location. Although ostensibly for civilian purposes, the new site was understood to house equipment which could be put to use in a nuclear programme at short notice [see p. 39292].

The complete destruction of 70 tonnes of declared Iraqi nerve gas stocks was confirmed by UN weapons inspectors on March 19; the burning of 400 tonnes of mustard gas stockpiles was said to be under way.

On March 8 Iraq protested to the UN over the use of US U-2 planes by weapons inspectors, claiming that the inspectors were being secretly employed to plan the assassination of President Saddam Hussein.

UN weapons experts led by Nikita Smidovich arrived in Baghdad on March 27 to continue the inspection of Iraq's military arsenals.

Extension of UN sanctions

The UN Security Council on March 29 decided to maintain economic sanctions against Iraq, saying that the government had still not fulfilled its obligations under Gulf ceasefire resolutions. Earlier, on March 14, the Iraqi Minister of Labour, Social Affairs and Health, Umeed Madhat Mubarak, had stated that as of January 1993 a total of 233,789 people, of whom 83,078 were children under five years, had died as a result of sanctions since their imposition in August 1990. Mubarak also pointed out that the country had suffered an annual 85 per cent shortage of medicines and medical supplies since August 1990.

Earlier Turkey had confirmed an Iraqi request for food and medical assistance to help combat high mortality rates among children and old people. On March 9 the International Federation of Red Cross and Red Crescent Societies launched an appeal for food and medical aid to Iraq.

US allegations claiming that Iran had violated UN sanctions by receiving oil supplies from Iraq were rejected by Iran on March 30. A simultaneous report in the *Middle East Economic Survey* also alleged that Iraq had sold oil and fertilizers to Iran and Turkey.

Sanctions-induced losses in oil exports were estimated by the Oil Ministry in early March to have totalled US\$55,000 million by the end of 1992. (On March 24 the UN was reported to have set Gulf war damage to oil installations at US\$6,000 million.)

Renegotiation of UN relief agreement

A UN team was reported in mid-March to be renegotiating a relief agreement signed in October 1992 and due to expire on March 31 [see p. 39163]. Reports said that the UN would seek an agreement based on a one-year programme to replace the previous six-month pacts.

US estimates of Gulf war casualties

The US Defence Intelligence Agency was reported on March 11 to have estimated that as few as 1,500 Iraqi soldiers might have been killed by allied forces during the Gulf war, a figure substantially lower than earlier estimates had suggested [see p. 38743].

Major's meeting with INC

The UK Prime Minister John Major became the first Western head of government to hold talks with leaders of the opposition Iraqi National Congress (INC) in London on March 30. Speaking afterwards, Jalal Talabani, leader of the Patriotic Union of Kurdistan (PUK) and a member of the INC delegation, told reporters that the meeting signalled the effective recognition of the INC's right to represent the Iraqi people.

Developments in Kurdistan

The Kurdistan National Assembly on March 18 approved the resignation of the government of Fuad Masum, named Prime Minister in June 1992 [see p. 38985]. Reports said that popular discontent with Masum's failure to deal with food and fuel shortages had led to calls for his replacement by a stronger leader.

The discovery in Irbil of mass graves containing the bodies of up to 1,500 Iraqi soldiers who had defied orders to participate in the war against Iran and the Kurds was reported on March 29.

Re-opening of Turkish and Egyptian missions

Turkey and Egypt, on March 5 and 14 respectively, re-opened consular missions for the first time since the outbreak of the Gulf crisis in August 1990. The decisions were regarded as minor boosts to the government's campaign to normalize relations with its Gulf war enemies.

The opening of the Egyptian mission coincided with press attacks on the Egyptian government and calls for the overthrow of Egypt's President Hosni Mubarak.

Relations with Yugoslavia and Sudan

Defence Minister Ali Hasan al-Majid held talks in Baghdad on March 15 with the Federal Republic of Yugoslavia Chief of General Staff, Gen. Zivota Panic.

A memorandum of understanding providing for Iraqi technical assistance to Sudan was signed in the Sudanese capital, Khartoum, on March 15.

Suspension of AMF loans

The Arab Monetary Fund (AMF) announced on March 4 that it had suspended loans to Iraq, Sudan and Somalia because of their failure to repay debts.

■ Last article pp. 39342-43; reference article pp. R137-38.

KUWAIT

Opposition to defence plans

Reports emerged of criticism by opposition parties in the National Assembly of the government's defence budget, estimated in 1992-93 to total US\$6,200 million, and of its defence procurement budget worth US\$15,000 million over the next six years. Although deputies had no control over the budget, observers believed that the controversy could delay the purchase, confirmed in October 1992, of 236 US-manufactured Abrams M-1A2 tanks [see p. 39170].

Demarcation of maritime boundary with Iraq

The UN Iraq-Kuwait Boundary Demarcation Commission announced on March 18 that it had completed the demarcation of the maritime border between the two countries along the median line of the Khor Abdullah waterway. Demarcation of the land border had been completed in April 1992.

■ Last article p. 39343; reference article p. R140.

IRAN

Worsening relations with UK

The secretary-general of the Council of Guardians, Ayatollah Ahmad Jannati, called on March 5 for the imposition of trade sanctions against the United Kingdom in retaliation for its support for the Indian-born British writer, Salman Rushdie [see pp. 39343-44], condemned to death in February 1989 by the late Ayatollah Ruhollah Khomeini. Addressing a prayer congregation in Tehran, Jannati appealed to the country's legislative body, the *Majlis-ash Shoura*, to "treat with sensitivity the economic and trade relations with Britain, and cancel many agreements with Britain if necessary". Jannati's proposal, if implemented, was expected to affect UK exports to Iran which had been worth an estimated US\$830,000,000 in 1992; UK imports from Iran in the same period accounted for around US\$240,000,000.

Relations between Iran and the UK had deteriorated in February after Iran announced a sharp increase in the cost of visas for UK nationals reportedly in protest against the UK government's public defence of Rushdie [see pp. 39343-44]. On March 1 the UK imposed stricter controls on the export of weapons and dual-use technology to Iran in what was seen as a further indication of tension between the two countries.

On March 10 a resolution of the UN Commission on Human Rights (UNCHR) expressed grave concern at "the case of one [understood to be Rushdie] under the jurisdiction of another state, whose life continued to be threatened apparently with the approval of the Islamic Republic of Iran".

Relations with USA

A strongly worded statement issued by the Foreign Ministry on March 7 rejected US allegations branding Iran as the world's "most dangerous state sponsor of terrorism", and as a country actively seeking nuclear weapons.

The statement followed claims made by the US State Department on March 5, reportedly based on information obtained by the US Central Intelligence Agency (CIA), purporting to show Iran's support for Muslim militant activity in Egypt and Sudan, and its development of a significant nuclear and chemical weapons capability.

The International Atomic Energy Agency (IAEA) which in early 1992 had cleared Iran's nuclear facilities, was said to have asked the USA to furnish evidence for its allegations. In January Iran had been among the signatories of the Chemical Weapons Convention banning chemical weapons [see p. 39297].

Murder of dissident

Mohammad Hossain Naqdi, representative of the opposition National Council for Resistance, was shot dead in Rome by unknown gunmen on March 16. Allegations of government involvement were denied by the Iranian embassy in Rome.

The country's spiritual leader, Ayatollah Seyed Ali Khamenei, appeared on television on March 18 to discount reports that he had been the victim of a bomb explosion on March 17.

World Bank loan

The World Bank on March 16 approved a US\$157,000,000 loan for irrigation improvement projects in four provinces.

■ Last article pp. 39343-44; reference article pp. R136-37.

EGYPT

Campaign against Islamic groups

In what was described as the bloodiest crack-down for a more than a decade, the government in early March initiated a series of violent assaults against underground Islamic groups whose recent activities were said to have devastated the tourist industry [see p. 39344]. The upsurge in violence coincided with the start of two trials in military courts on March 8-9 of Islamic militants accused of the assassination in October 1990 of the par-

liamentary Speaker of the People's Assembly, Rifaat al-Mahgoub [see pp. 37794-95], and of armed attacks against tourists [see pp. 39214; 39295; 39344].

The government's offensive began shortly after members of an Islamic group on March 3 shot dead Lt.-Gen. Mahran Abdel-Rahim, the highest ranking security official so far killed in the campaign, and his infant son near the town of Asyut, 300 km south of Cairo. On March 5 President Hosni Mubarak warned that he would be "extremely harsh" with Egypt's Muslim "extremists". On March 9-10 police raided militant strongholds in Cairo and Aswan killing 23 people; a further 12 people, including Ahmad Zaki, accused of masterminding the anti-tourist campaign in Upper Egypt, died on March 17 when security forces stormed militant hideouts in Asyut.

The rise in violence coincided with increased tension between Christians and Muslims. On March 13, police tear-gassed Muslim students trying to burn down a church in Qalyub, 20 km north of Cairo.

Further threats to tourists

Responsibility for a bomb explosion on March 16 outside the Egyptian Museum in central Cairo, a major tourist attraction, was claimed by an Islamic group, *Gammat i-Islami* [given as *Jama'ah al-Islamiyah* on p. 39344], whose activities were said to be directed by Shaikh Umar Abdul Rahman, a blind cleric living in the USA whose marriage to a US citizen had so far enabled him to avoid deportation to Egypt to stand trial for a number of terrorist crimes [see also p. 39359]. The attack, in which there were no casualties, was the second such attack on a tourist site in Cairo since an explosion in late February killed three people [see p. 39344].

The incident followed a warning issued by *Gamaat* to foreign news agencies on March 6 which called on tourists to leave the country, adding that foreign investments "could soon be a target".

Allegations of torture

Allegations of the routine torture by security police of an estimated 3,000 arrested Islamic radicals were substantiated by the Egyptian Human Rights Organization (EHRO), according to a report on March 29.

On March 22 the human rights organization Amnesty International highlighted the deterioration of "the human rights situation in Egypt" in the past year, and called for an "urgent review" of the government's shoot-to-kill policy against Islamic militants. An earlier report by the New York-based human rights group, Middle East Watch, on Feb. 24 had also concluded that "custodial confinement in Egypt [was] particularly abusive".

IMF standby credit

The International Monetary Fund (IMF) on March 19 freed the final tranche of a US\$372,000,000 standby credit agreed in May 1991 [see p. 38209] after expressing satisfaction with Egypt's economic reforms.

■ Last article p. 39344; reference article pp. R135-36.

ALGERIA

Protests against terrorism

An estimated 100,000 people demonstrated in the capital, Algiers, on March 22 against the recent escalation in terrorism by Islamist groups. Although the demonstration was labelled "spontaneous", government organization of the protests was evident, with state companies ordered to close and thousands of employees given transport into Algiers.

The protests were triggered by the assassinations of several prominent public figures, the first time that Islamist terrorists had targeted civilians.

Laadi Flici el-Hadi, a physician and a member of the National Consultative Council (CCN) [see p. 38884], was shot dead on March 17, as was Djilali Liabes, former Minister for Higher Education, on March 16. Hafid Senhadri, also a CCN member, died on March 18 from gunshot wounds suffered in an attack on March 14. Tahar Hamdi, newly appointed Minister of Labour and Social Affairs, was slightly wounded in an assassination attempt on March 16.

Islamist attacks against the security forces also increased, most notably on March 30, when 23 rebels and 18 soldiers were reportedly killed during an arms raid on the Boughzoul barracks, 100 km south of Algiers.

The government announced on March 27 that it had severed diplomatic links with Iran, and recalled to Algiers the ambassador to Sudan, citing alleged links between the FIS and Islamist groups abroad.

Arrest of Islamic leader - Death sentence

The escalation in violence was thought to be closely linked to the arrest on Feb. 26 of Ikhlef Cherati, a senior official of the banned Islamic Salvation Front (FIS) and preacher. Cherati, in hiding since July 1991, was also a major force in the Armed Islamic Movement (MIA) and wanted for directing attacks against the security forces.

A special court on March 20 sentenced to death 11 of 51 Muslims convicted of various terrorist offences including murder, demonstrating government determination to crack down on terrorism. The interior Minister Mohammed Hardi emphasized that there would "never be clemency for terrorists and criminals".

The trial had been suspended on March 15 when defence lawyers alleged that the accused had been beaten by their guards and boycotted the hearing.

Human rights report

The London-based human rights organization Amnesty International stated on March 3 that since the imposition of the state of emergency in February 1992 more than 9,000 suspected Islamic activists had been held without charge or trial in desert internment camps, where 1,000 still remained. Amnesty also stated that over 300 people had been killed by the se-

curity forces, a significant number of whom were innocent bystanders deliberately killed.

Arrest of journalist

Reuters correspondent John Baggaley was arrested and detained for 24 hours on March 18 following the publication by Reuters of an incorrect report claiming that the Youth and Sports Minister, Abdelkader Khamri, had been assassinated. Baggaley stated that he had based the report on police information.

■ Last article p. 39344; reference article pp. R133-34.

WESTERN SAHARA

UN resolution on referendum

The UN Security Council on March 2 unanimously approved Resolution 809 calling for a referendum on self-determination for Western Sahara to be held before the end of the year. The territory's people would be asked to choose between independence and integration with Morocco.

The referendum was to have been held in 1992 under a UN peace plan which brought about a ceasefire between Moroccan forces and pro-independence guerrillas of the Polisario Front in September 1991 [see pp. 38456-57; 39345]. The Resolution's text was reported to have satisfied both Polisario and the Moroccan UN representative.

■ Last article p. 39345; reference article p. R146.

INTERNATIONAL

DISARMAMENT

First inspection under CFE treaty

The first joint multinational inspection under the Conventional Forces in Europe (CFE) treaty was undertaken in Romania on March 16. The joint inspection was led by Italy, representing the North Atlantic Treaty Organization (NATO), and also involved Azerbaijan, Hungary and Poland in their capacity as members of the North Atlantic Co-operation Council (NACC). The inspection had been agreed in principle by NATO and the NACC in Brussels in late January.

Since the beginning of its "provisional application" on July 17, 1992 [see pp. 39031; 39216], some 500 verifications had been carried out under the CFE treaty, signed in Paris in November 1990 [see p. 37838], and formally in force since Nov. 14, 1992.

Second round of Russian-Ukrainian talks

Negotiating teams from Russia and Ukraine met in Moscow on March 2 for the second round of talks aimed at the eventual removal of nuclear weapons from Ukraine [see pp. 38937; 39216; for first round of talks initiated

IN BRIEF

MOROCCO: A Casablanca court on March 15 passed a death sentence on Chief Police Commissioner Haj Mohammad Mustapha Tabet, 54, who was found guilty of sexual violence against hundreds of women over several years. Opposition groups claimed that Tabet had acted with the knowledge of his superiors.

PALESTINIAN AFFAIRS: The arrest in Saudi Arabia of Fayed Asswad, leader of the Islamic Jihad Movement for the Liberation of Palestine (a splinter group of the Islamic Jihad movement responsible for attacks against Israeli targets in the Occupied Territories of the West Bank and Gaza Strip) was reported on March 16.

SAUDI ARABIA: Thirty-eight Pakistani nationals, accused of smuggling drugs, were beheaded in recent weeks, according to a Pakistani government spokesman quoted in Islamabad, Pakistan, on Feb. 13.

TUNISIA: The long-established Tunisian Communist Party (PCT) announced on March 15 that it was to relaunch itself as the *Mouvement de la rénovation—Ettajdid* (ME). PCT secretary-general Mohamed Harmel said that Marxism would not be the official doctrine of the ME, which would be inspired by "progressive" thinking.

YEMEN: A bomb exploded outside the British embassy in the capital Sana'a on March 10, damaging the perimeter wall but causing no casualties; similar explosions had occurred outside the US and German embassies recently [for December attacks see p. 39248].

by Russian President Boris Yeltsin and Ukrainian President Leonid Kravchuk see p. 39297]. The ITAR-TASS news agency reported the same day that senior military officers, including the Russian Defence Minister Marshal Pavel Grachev and the C-in-C. of the Commonwealth of Independent States (CIS) Armed Forces, Marshal Yevgeni Shaposhnikov (neither of whom were at the talks), had threatened to issue a communiqué criticizing Ukraine's "unconstructive attitude"—understood to be a reference to Ukraine's continued reluctance to ratify the first Strategic Arms Reduction Treaty (START I) without adequate guarantees.

US officials were reported in early March to have expressed concern over possible delays in Russian ratification of START II amid reports that conservative deputies in the Russian Supreme Soviet, which began debating the treaty's ratification on March 2, had attacked it as unfair to Russia. In late March Russia's growing domestic political crisis added to Western concern over the future of nuclear arsenals dispersed in Byelarus, Kazakhstan, Ukraine and Russia. Dmytro Pavlychko, the influential head of the Ukrainian parliamentary foreign affairs committee, stated on March 23 that the Ukraine could not rid itself of nuclear weapons or accede to the Nuclear Non-Proliferation Treaty in view of the current political crisis in Russia.

Nuclear proliferation

The Stockholm International Peace Research Institute (SIPRI) in a report published on March 1 said that India, Israel and Pakistan had enough nuclear material to make more than 120 nuclear bombs.

The disclosure followed the publication by the Russian Foreign Intelligence Agency in late January of a list of 16 countries which were alleged either to possess weapons of mass destruction, or to be "on the road" to gaining such weapons. The list included Algeria, Argentina, Brazil, Chile, Egypt, India, Iraq, Israel, North Korea, Libya, Pakistan, Syria, South Africa, South Korea, and Taiwan.

On Feb. 25 the US Congress highlighted the global threat posed by chemical and biological weapons said to be in the possession of several Third World countries.

■ Last article p. 39345; reference article p. R150-51.

NATO

Meeting of NACC Defence Ministers

Defence Ministers from the North Atlantic Treaty Organization (NATO) and the former Warsaw Pact countries who met in Brussels on March 29 under the auspices of the North Atlantic Co-operation Council (NACC) [see pp. 38600; 38699; 38986] agreed to strengthen co-operation in international peacekeeping missions. Expressing concern over continued fighting in the former Yugoslav republic of Bosnia-Herzegovina, ministers reiterated their support for UN efforts aimed at ending the conflict. (In December NATO defence ministers were said to have discussed contingency plans for increased military involvement in Bosnia-Herzegovina—see p. 39249.)

In their final statement NATO and NACC defence ministers also voiced anxiety over North Korea's decision to withdraw from the Nuclear Non-Proliferation Treaty (NPT) and from its safeguards agreement with the International Atomic Energy Agency (IAEA) [see p. 39366].

Reviewing the progress of the NACC as a joint security forum, ministers described the record of the past year as "impressive" and stated that "several hundred projects [had] been implemented either by multinational teams or by individual allies". They stressed that "co-operation in defence-related matters [was] now a firmly rooted part of our relationship", and noted that such co-operation was all the more important "in the present circumstances, where regional instabilities and risks have proliferated".

Reduction in US troop levels in Europe

A US decision reducing troop levels in Europe to 100,000 as part of an overhaul of US military strategy was conveyed to ministers attending the NACC meeting.

The cuts, involving the withdrawal of 50,000 US troops, were expected to reduce US troop presence in Europe from a peak of 324,000 in 1990 to below

the 150,000 settled on by former US President George Bush.

The US decision, which coincided with Russia's announcement confirming the suspension of Russian troop withdrawals from the Baltic republics [see also p. 39334], reportedly fuelled concern among some ministers. However, the US Deputy Secretary of Defence William Perry assured the meeting that the US move had been prompted not by a reduced commitment to Europe, but by "a reduced threat to our collective security". NATO's Secretary-General Manfred Wörner also allayed fears of a rapid US pull-out from Europe, saying that he did not expect the troop withdrawals to be implemented "at least until 1996".

Wörner's visit to Albania

Wörner visited Albania on March 18-20.

■ Last articles pp. 39249-50; 39347; reference article pp. R154-55.

GATT

Temporary US-EC settlement of public procurement dispute

The European Communities (EC) and the USA on March 29 agreed to settle differences over public procurement contracts [see p. 39346], after the USA had announced that it would temporarily suspend sanctions with retroactive effect from March 22, against European companies in return for an EC offer abandoning a 3 per cent price preference to European bids in public procurement contracts. Speaking afterwards the US Representative for Trade negotiations, Mickey Kantor, said that while major issues remained unsolved, the EC had offered "a substantive package" of measures giving US suppliers greater access to EC markets.

The truce, expected to last until a further round of bilateral talks in Washington on April 19-20, followed weeks of mounting tension between the two sides.

On March 12 the USA had cancelled talks scheduled earlier, saying that the EC's inflexibility had made further contacts useless; simultaneous reports quoted Kantor as saying that sanctions against European companies would "almost certainly go into effect" on March 22. The decision, described on March 14 by the EC's External Economic Affairs and Trade Commissioner, Sir Leon Brittan, as "a very negative step", fuelled fresh fears of a transatlantic trade war. Concern intensified on March 18 after Brittan suggested, reportedly for the first time, that trade frictions could threaten European-US political relations.

Reports emerged meanwhile of renewed attempts to ease tension and revive hopes of a settlement. At a hastily arranged meeting in Washington on March 18 between Jacques Delors, the President of the European Commission, and US President Bill Clinton, Clinton assured Delors that "I don't want a trade war with the EC and I don't think we'll have one". Clinton's assurances were followed by a joint statement, issued following talks between Delors and Kantor in Washington on March 19, announcing a halt to US sanctions against the EC until the resumption of bilateral talks over public procure-

ment in late March. Later Delors said that he appreciated the US "gesture". The EC's chief trade negotiator, Hugo Paeman, said that the action had greatly improved the atmosphere between the two sides.

Talks on Chinese membership

Talks on the resumption of China's status as a contracting member of GATT (suspended by the Nationalist government in 1950), which were held in Geneva on March 15-17, ended with little progress. The negotiations (in progress since 1987, China having been granted observer status in 1984), were reportedly halted after the USA insisted that Chinese entry into GATT be made conditional upon international monitoring of the scale and pace of its market reforms.

On March 18 China said that it would reject the introduction of an international monitoring system, claiming that it was "unnecessary". Chinese officials maintained, however, that China's re-entry into GATT was "only a question of time". They also stressed that China's membership had to precede that of Taiwan (referred to as "Chinese Taipei") [see p. R152].

US objections to China's membership of GATT had been raised earlier during bilateral trade talks (suspended in 1989 following China's crackdown against political dissidents) in Beijing on March 1-3. At the talks the US had called on China to agree to a full market economy and a safeguard system designed to protect other countries from a surge in exports from China, before seeking GATT entry.

World trade report

A GATT report issued on March 29 showed that the value of world trade grew in 1992 by 5.5 per cent to US\$3,700,000 million, compared with growth of 1.5 per cent in 1991. The volume of trade rose by 4.5 per cent, reversing a period of decline in growth since 1988, during which it fell from more than 8 per cent to 3.5 per cent in 1991.

Most of the stimulus came from North America (mostly the USA) and Asia (except Japan). The USA maintained its position as the world's leading exporter, lifting sales by 6 per cent to US\$447,000 million. It was closely followed by Germany whose exports had risen by 6.5 per cent to US\$425,000 million. The strongest gains in Asia came from China and Hong Kong, where exports rose by 18.2 per cent and 20 per cent respectively.

The USA remained the leading importer, with a rise of 8.6 per cent to US\$552,000 million. The greatest increase in imports came in Latin America, up by 18.5 per cent to US\$170,000 million.

Trade in services worldwide grew from US\$890,000 million to US\$960,000 million in 1992, a rise of 8 per cent.

■ Last article p. 39346; reference article pp. R151-52.

COMMODITIES

Failure to renew cocoa agreement

Delegates to the International Cocoa Organization (ICCO) who met in London on March 15-19, abandoned efforts to replace the 1986 cocoa agreement, due to expire in September 1993, in favour of a plan based on voluntary production control, promotion of consumption and the running down of the organization's 233,000-tonne buffer stock. The arrangement, described as "a limited form of economic agreement", came after cocoa producers and consumers failed to resolve outstanding differences centring on the maximum size of the buffer stock and the financing of a new agreement [see p. 39218].

On March 5 both sides had formally adjourned the fourth, and apparently final, round of UN-sponsored price-support talks in Geneva amid reports that all parties were keen to ensure an agreement which would avoid any sudden sale of the buffer stock. The ICCO agreement had operated without market support measures since early 1988, when its buffer stock system used to shore up prices collapsed after reaching the permitted level of 250,000 tonnes.

■ Last article p. 39218; reference article p. R149.

UNCTAD

Annual report on LDCs

In its latest annual report on the 47 least developed countries (LDCs), issued on March 9, the UN Conference on Trade and Development (UNCTAD) said that per capita incomes in the very poorest developing countries had fallen for the past three years. Projecting a 1.4 per cent increase in total LDC output in 1992, after no growth in 1991 and a slight decline in 1990, the report expected per capita incomes to show a further decline. Noting that the resource pool for LDCs stood in danger of being reduced by additional claims from eastern Europe, it warned that failure to support economic reform in the LDCs could trigger "social and economic collapse, ecological damage, food insecurity, and huge population displacement".

At the same time, however, the report recognized differences in performance between LDCs. In countries afflicted by civil war, such as Afghanistan, Ethiopia, Liberia, Mozambique and Somalia, development was virtually at a standstill. More politically stable economies, including Bangladesh, Botswana, Lesotho, the Maldives, Nepal and Uganda had achieved higher growth rates and increased per capita incomes.

■ Last article p. 39120; reference article p. R157.

ILO

World Labour Report 1993

The *World Labour Report 1993* [for 1992 report see p. R153], released on March 23 by the International Labour Organization (ILO), warned of rising unemployment and declining trade union membership. The report also highlighted the existence of forced labour in developing economies and a worldwide "epidemic" of work-related stress.

The report showed that average unemployment in the developed world rose from 7.4 per cent in 1991 to 8.3 per cent in 1992. Asia remained the most dynamic region of the developing world; prospects remained bleak for sub-Saharan Africa, where urban unemployment was increasing by about 10 per cent annually.

The decline of trade union membership in industrialized economies, with the exception of Sweden, was sharpest in the United Kingdom which showed a fall from 55 per cent of the workforce in 1980 to 39 per cent in 1992.

An estimated 33,000,000 workers worldwide were in forced labour, with an additional 30,000,000 in debt bondage, of whom the highest number—some 20,000,000—were in Pakistan.

■ Last articles pp. 37552; 38395; 38939; reference article p. R153.

UNITED NATIONS

Report on bureaucratic reform

The outgoing UN Under-Secretary-General for administration and management, Richard (Dick) Thornburgh (USA) was reported on March 2 to have submitted to the UN Secretary-General Boutros Boutros-Ghali the results of an internal investigation into the UN's alleged bureaucratic excess and corruption. The findings drew attention to the organization's "almost surreal" budget practices and its antiquated management composed of "deadwood" functionaries protected by patronage. Alleging that the UN was "totally lacking in effective means to deal with fraud", the report called urgently for the appointment of a permanent watchdog to check abuses.

A UN spokesman who refused to comment on the as yet unpublished report said, however, that allegations that one agency had spent US\$4,000,000 on a study of managing works of art at the UN's New York headquarters were "ludicrous".

In February 1992 Boutros-Ghali had ordered a radical restructuring of the UN Secretariat [see p. 38793], but was reported since to have come under pressure from both rich and poor states seeking their own UN role.

Melissa Wells (USA) was appointed to succeed Thornburgh from April 5.

■ Last article p. 39345-46; reference article p. R156.

ENVIRONMENT

Return to Germany of waste from Romania

The German government began on March 9 its operation to bring back 425 tonnes of toxic chemical waste which had been exported to Romania in the guise of "agricultural aid" by the former East Germany. The government had agreed to finance the return of the toxic chemicals after the environmental organization Greenpeace threatened to return the waste itself and invoice accordingly. The operation was expected to cost DM 3,300,000.

Establishment of waste fund for eastern Germany

The German Environment Minister, Klaus Töpfer, announced in mid-March that DM 15,000 million would be made available for cleaning up the estimated 70,000 hazardous waste dumps in former East Germany.

The sum was budgeted to cover 75 per cent of the clean-up costs; the remainder was to be met by state authorities.

Greek river diversion

Greek environmentalists in early March announced their intention to launch a campaign against the planned diversion, subsequently approved by the government on March 23, of the country's largest river, the Akhelos.

The scheme, supported by European Community (EC) funds, would involve diverting part of the waters of the Akhelos westwards across the Thessaly Plain and into the Aegean, in order to provide hydro-electric power and irrigation water.

■ Last articles pp. 39298; 39347; reference article p. R151.

WAR CRIMES

First war crimes trial in Bosnia-Herzegovina

Two Bosnian Serb soldiers were sentenced to death by a military court in Sarajevo on March 30 for murder, rape and robbery in the first war crimes trial in the former Yugoslav republic of Bosnia-Herzegovina. The prosecutions, based primarily on the confessions of the two defendants, Borislav Herak, 22, and Sretko Damjanovic, 31, represented the first attempt by the Bosnian government to prove that Serbian forces had engaged in a programme of "ethnic cleansing".

Responding to the sentences, the commander of the UN Protection Force in Yugoslavia (UNPROFOR), Maj.-Gen. Philippe Morillon, said that the cases should be turned over to an international war crimes tribunal, adding that "it was the only way to calm the anguish and mutual recrimination". In February the UN Security Council had unanimously approved the creation of a war crimes tribunal [see p. 39345].

Return of Argentine war files

Argentina on March 11 allowed unrestricted access to some 400 wartime files believed to contain information about the activities of former Nazis in Latin America. Permission was granted under an agreement signed in Buenos Aires by the Argentinean Foreign Minister Guido di Tella and the country's main Jewish organization, the Delegation of Israelite Associations in Argentina (Daia). In February 1992 a decree issued by Argentine's President Carlos Menem had lifted the imposition of secrecy on all records of Nazi activities in Argentina.

On March 13 the president of the World Jewish Congress Edgar Bronfman was quoted as saying that he hoped that the Argentinian decision would trigger a "domino effect" prompting other countries in the region to open their files.

■ Last article p. 39171; reference article pp. R158-59.

AVIATION

Air crash in Macedonia

Eighty-one people died on March 8 when a Fokker-100 carrying 91 passengers and six crew on a flight to Zurich, Switzerland, crashed in a snowstorm shortly after take-off from Skopje, in the former Yugoslav republic of Macedonia.

Rise in accident deaths

The International Civil Aviation Organization (ICAO) announced on March 10 that the number of people killed in accidents on regular airline flights worldwide rose from 653 in 1991 to 1,097 in 1992.

■ Last article p. 39347; reference article pp. R148-49.

IN BRIEF

ICRC: The International Committee of the Red Cross (ICRC) was reported on Feb. 5 to have dropped its long-standing policy of employing only Swiss nationals as "delegates", those authorized to deal with government or visit prisons.

IMO: Membership of the International Maritime Organization (IMO) rose to 140 as a result of the accession of Latvia (March 1), Paraguay (March 15) and Slovakia (March 24). Slovenia had joined the IMO on Feb. 10 as its 137th member (total membership—see p. 39033—having fallen by one following the dissolution of Czechoslovakia on Dec. 31, 1992).

INTERNATIONAL PARTY ORGANIZATIONS: The Italian Foreign Minister Emilio Colombo was on March 2 elected president of the International Christian Democrats (IDC) in Brussels, for a period of three years.

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